ANNUAL REPORT 2024

PARLIAMENTARY PAPER NO. 158/24

TABLE OF CONTENT

CORPORATE PROFILE

Our Organisation

The Fiji Sugar Corporation Limited was incorporated in Fiji by an Act of Parliament in 1972 to take over the milling activities with effect from 1st April 1973. It is a successor to SPSM Limited and CSR Limited. In 2006, the Fiji Sugar Corporation Act was repealed, allowing it to be governed solely under the Companies Act.

Our Shareholders

The Government of Fiji is a major shareholder, which owns 94.6% of shares, while statutory bodies, local companies and individuals own the rest of the shares.

Our Business

TThe Corporation owns and operates three sugar mills located at Lautoka, Ba and Labasa. The mills are strategically located on the drier side of the two main islands, where conditions are more suited to growing cane.

The Corporation is responsible for the manufacture and sale of raw sugar together with molasses as a by-product. The Corporation owns and maintains a railway network which transports sugar to the mills. The Corporation is one of the largest sector employers, with a workforce of around 1700 individuals during the peak crushing season.

The Sugar Industry is important to Fiji's economy as it contributes about 0.9% of GDP and generates about 10.8% of domestic exports in 2023, based on the provisional data from the Reserve Bank of Fiji. Unlike many other export-oriented businesses, most production inputs are domestic and have a high regional impact and cross-sectoral linkages.

CORPORATE HIGHLIGHTS

Financial Results

- The Corporation's share of proceeds was $71.15 million compared to $64.25 million in the previous year.
- Trading profit was $13.13 million, compared to a profit of $7.45 million in the previous year.
- Profit from operations was $2.51 million, compared to a loss of $4.98 million in the previous year.
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were positive $24.97 million compared to positive $17.87 million in the previous year.
- The operating loss for the year was $4.24 million, compared to a loss of $23.0 million in the previous year.
- A total of $10.05 million was invested in Property Plant and Equipment, compared to $6.94 million in the previous year.

Operations

- A total of 1.57 million tonnes of sugarcane was crushed from an area of 31,815 hectares compared to 1.64 million tonnes from 34,879 hectares in the previous year.
- Sugar production was 139,628 tonnes compared to 155,812 tonnes in the previous year.
- The tonnes Cane to Tonnes Sugar (TCTS) ratio was 11.2 compared to 10.5 in the previous year
- Cane Quality (POCS) was 9.8 compared to 10.3 in the previous season.
- The total sugar exported was 104,670 tonnes compared to 144,279 tonnes in the previous year.

FINANCIAL SUMMARY

	2024	2023
Sales and Profit ($'000)		
Total sales	232,789	209,744
Trading profit/(loss)	13,132	7,446
Unrealised exchange gain/(loss)	-	(2,706)
Operating Profit/(loss) for the year	(4,230)	(22,999)
Cash Flow ($'000)		
Operating activities	(19,479)	23,659
Investing activities	(9,220)	(6,748)
Financing activities	3,359	10,053
Net increase/(decrease) in cash	(25,339)	(26,964)
Financial Position ($'000)		
Working capital	(162,653)	(175,045)
Current assets	43,413	23,072
Total assets	156,143	146,752
Non-current liabilities	354,355	348,681
Current liabilities	206,066	198,117
Shareholders' equity	(404,278)	(400,046)
Additional Information		
Ratio of current assets to current liabilities	0.21	0.12
Ratio of debt to shareholders' equity	(1.38)	(1.37)

CORPORATE Governance

FSC views corporate governance in the broadest sense, almost like a trusteeship; it is a philosophy to be professed, a value to be imbibed, and an ideology to be ingrained in our corporate culture.

Corporate governance goes much beyond mere compliance; it is not a simple matter of creating checks and balances. It is, in fact, a continuous process of realising the Corporation's objectives with a view to making of every opportunity. It involves leveraging its resources and aligning its activities to consumer needs, shareholder benefit and employee growth. Thereby the Corporation succeeds in delighting its stakeholders whilst minimising risks.

The primary objective is to create and adhere to a corporate culture of conscientiousness and consciousness, transparency and openness. The Corporation aims to develop capabilities and identify opportunities that serve the goals of value creation, thereby creating an outstanding organisation

BOARD Responsibilities

The Board remains committed to upholding the highest standards of integrity and transparency in its governance of the Corporation. The importance and the value of a balanced interplay between management, Board and shareholders within the company remain a major principle governing the conduct of the Corporation.

The Corporation aims to be at the forefront of internationally recognised best governance practices. The Corporation complies in all material respects with the generally accepted governance principles. Corporate governance, as a dynamic interplay of forces, has its own sets of challenges and continues to evolve, especially in a small country like Fiji.

Central to the Corporation's sound governance practices is the management of relationships and the interest of its stakeholders. The Corporation embraces these challenges through its strategy, people, teamwork, leadership, experience and skills, relationships and proper identification and control of business risk. In doing so, the Board is required to determine sound management information and reporting system to the shareholders.

The Board supports a strong disclosure regime acknowledging transparency as a key element of an effective corporate governance system. This includes timely and accurate information to be disclosed on matters such as the Corporation's financial and operating results, its objectives, major share ownership and voting rights, remuneration for directors and material foreseeable risk factors.

In addition to disclosure on commercial objectives, the Board encourages disclosure of policies relating to the environment and the communities in which the Corporation operates. The Board meets regularly and receives full information in advance to help it discharge its duties. A Director's Package comprising pertinent background information and critical information on major risks, global industry trends and the future direction of the Corporation is made available to all new directors.

The Board also supports the policies, principles and standards set out in the Companies Act, the accountancy profession and relevant statutory reporting requirements. While these do not determine the detailed course of conduct by directors, they support the need for the highest standards of behaviour and accountability

COMPOSITION OF THE Board

The Board aims to bring people of the right calibre with a broad and diverse range of business experience and expertise. There are nine directors on the Board, appointed by the shareholders. Board representation also includes key stakeholders.

ROLE OF Shareholders

The Board ensures that shareholders are fully informed of all major developments affecting the Corporation's business. Information is communicated to shareholders in the Annual Report, special reports and forum. The Board encourages the full participation of shareholders to ensure a high level of accountability in the determination of the Corporation's direction, strategies and goals.

MANAGEMENT Responsibility

The information presented in this report is prepared by the Corporation's Management which maintains systems of internal accounting controls, policies and procedures to provide reasonable assurance as to the reliability of the financial records and the safeguarding of its assets. Management regularly seeks independent assessment and reviews of its internal accounting controls, policies and procedures.

BOARD Committees

The Board appoints board subcommittees to undertake specific functions as required under internationally accepted governance practices and on the needs of the Corporation. Each Board Committee operates under a Charter.

The Finance & Audit Committee, which is a significant committee of the Board, reviews the financial reporting process, the system of internal control and management of financial risks, the audit process and the company's process for monitoring compliance with the laws and regulations. The members of the Finance & Audit Committee are Mr. Jawahar Lal (Chairman), Mr.Kaison Chang and Mr. Nitya Reddy.

The Remuneration & Nomination Committee is tasked with assisting the Board in discharging its responsibilities by providing oversight of the Human Resource strategy of the Company, including organisation structure, remuneration policies, performance management, succession planning and development and monitoring all matters relating to terms and conditions of employment of employees and staff remuneration. Its members are Mr. Athil Narayan (Chairman), Mr. Nitya Reddy and Ratu Jone Qomate.

The Governance & Risk Committee has been set up to assist the Board in discharging its responsibilities through oversight of the enterprise risk management, control and compliance framework established by the Board and management, formulation and review of the company's policies and insurance, formulation and review of the governance policies, framework and compliance of the Company, development, and monitoring of codes of conduct and any reported breaches of the code of conduct. Its members are Mr. Athil Narayan (Chairman), Mr. Jawahar Lal and Mr. Maciusela Lumelume.

The Property Committee looks after the sale of non-core assets to support the cash flow of the Corporation. Its members are Mr Ratu Jone Qomate (Chairman), Mr Kaison Chang, and Mr Paras Reddy.

The Cane Development Committee was set up to focus on improving sugarcane production and grower-related services. Its members are Mr. Maciusela Lumelume (Chairman), Mr. Paras Ram Reddy, Mr. Kaison Chang, Ratu Jone Qomate, Mrs. Akisi Vinaka and Mr. Jawahar Lal.

Sales & Marketing Committee has been setup to look after the sale of sugar and molasses for both domestic and export. Its members are Mr Kaison Chang (Chairman), Mr Nitya Reddy and Mr Jawahar Lal.

The Corporate Planning & Development Committee in a sugar miller company plays a crucial role in driving strategic initiatives and ensuring sustainable growth. They develop long-term strategic plans to enhance competitiveness and sustainability, align objectives with market trends, and conduct market analysis to identify new opportunities and monitor global trends. Its members are Mr Kaison Chang (Chairman), Mr Maciusela Lumelume, Mr Paras Ram Reddy, Mr Solomone Nata, Ratu Jone Qomate and Mr Jawahar Lal.

BOARD OF Directors

NITYA REDDY

Appointed as Chairman of the Board in October 2023 and has been with the Board since May 2023. Mr Reddy is a Chartered Accountant with 50 years of experience in the private sector, including 14 years in FSC.

ATHIL NARAYAN

Appointed to the Board in December 2019. Mr Narayan is the Executive GM Airports & Cargo Operations, Fiji Airways.

JAWAHAR LAL

Appointed to the Board in November 2023. Mr Lal is a practising member of the Fiji Institute of Chartered Accountants with over 30 years of experience.

AKISI VINAKA

Appointed on Board on 19th May 2023. She is a cane farmer and a very active community worker in Labasa.

PARAS RAM REDDY

Appointed to the Board on 4th May 2023. Mr Reddy is a farmer and a Rarawai Penang Cane Producers Association board member.

RATU JONE MATAOVE QOMATE

Appointed to the Board on 31st January 2023. Ratu Jone is the Chairman of Macuata Provincial Council and Tui Labasa.

MACIUSELA NAQESA LUMELUME

Appointed on the Board on 4th May 2023. Mr. Lumelume is a consultant with qualifications in commerce and business administration.

SOLOMONE NATA

Appointed to the Board in April 2024. Mr Nata is the Chief Executive Officer of the i-Taukei Land Trust Board

KAISON CHANG

Appointed to the Board on 4th May 2023. Mr Chang is currently an international consultant for the agriculture and economic sectors, with over 30 years of work experience in the agricultural sector.

EXECUTIVE MANAGEMENT Team

BHAN PRATAP SINGH
Chief Executive Officer

MIKAELE BIUKOTO
Chief Operating Officer

DEEPAK RAJ
Head of Finance / Company Secretary

AKSHAY KUMAR
Acting Chief Human Resources Officer

LEELA RAMESH
General Manager Labasa

MICHAEL FAKTAUFON
General Manager Lautoka

ILIYAZ KHAN
General Manager Rarawai

LAKSHMAN JAYARAMAN
Head of Agriculture

CHAIRMAN'S Report

NITYA REDDY

As the Chairman of the Fiji Sugar Corporation Limited (FSC), I am pleased to present the Corporation's Annual Report for the year ended 31 May 2024. It highlights the key aspects of the 2023 cane crushing season and our achievements against the backdrop of many serious legacy issues and challenges. It also provides a general overview of the Corporation's operational and financial performance, the factors impacting them and our strategic vision for the future.

Overview of Performance

Despite an unprecedentedly challenging year marked by multiple internal and external factors, many of them beyond its direct control, the Corporation has demonstrated remarkable resilience, steadfastly committed to its goals of sustainable growth and maximizing operational efficiency and shareholder values.

The 2023 crop of nearly 1.57 million tons was the fourth lowest in the last 25 years and possibly even since FSC's incorporation in 1973. Our sugar make was also the second lowest, exacerbated by a combination of factors, ranging from poor cane quality, high incidence of burnt cane (54%), adverse weather conditions and a multitude of milling and processing problems. It must be pointed out that this current trajectory of increase in burnt cane is now rapidly approaching a dangerously high of 60%. There is very clear irrefutable and compelling scientific evidence of the damage that burnt cane poses to the long term interests of the industry.

The Corporation carries a workforce of about 1,700 and its cost structure is heavily overladen with overheads for expensive mill machinery, plant and transport infrastructure. As a commercial entity, FSC lacks the capacity to respond to short term seasonal variations in crop size. Reduction in crop always results in underutilization of our assets thereby denying us the benefits of economies of scale. While our mills have a proven milling crushing capacity of more than 4 million tons, established as early as 40 years ago, we are currently operating at nearly a third of that. The negative financial consequences of that is quite obvious.

Financial Highlights

Despite these challenges, FSC's financial performance saw some significant improvements.

The industry's sales revenue increased by nearly 11% from $209.7 to $232.8 million compared to the previous year. FSC's share of proceeds increased from $64.3 million in 2023 to $71.2 million in 2024 mainly due to better export prices. These were the highest revenue returns in the last 17 years and it underscores the continuing importance of sugar industry to our national economy.

It is reflected in a significant improvement in the gross trading profit, which increased from $7.45 (2023) to $13.1 million. This positive outcome is a direct result of the unrelenting focus on enhancing operational efficiencies, implementing rigorous cost-control measures and constantly searching for smart and innovative solutions. Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) of $25.0 million, represents an improvement of nearly 40% from the previous years $17.9 million. It demonstrates the effectiveness of our financial strategies and our unwavering commitment to enhancing the long-term viability of the Corporation.

Most importantly, the Corporation recorded its second lowest loss in the last 10 years. Its current year's loss of $4.2 million is a significant turnaround from the 2023 loss of $22.4 million and against the average annual losses of nearly $35 million for the last decade.

Also worth pointing out is that the cane price of $101.38 per ton paid to farmers, without any government top-up was the highest in the industry's history.

Although much of these results have been achieved on the back of better sales revenue, there is no denying that there has also been a significant contribution by all our stakeholders, particularly the employees and farmers. Accompanying this has been a positive industry-wide recognition of the headwinds facing the industry and the need for cooperation by all to help revitalize it.

We record our gratitude and appreciation to all of them.

Capital Expenditure and Operating Efficiency

Consistent with the Board's transformative vision, FSC has prioritized operational efficiency and innovation as the centerpiece of its management and manufacturing strategy. It has embarked on a more aggressive and integrated capital expenditure program with a renewed focus on reducing mill breakdowns and downtimes, introducing more efficient and innovative technologies and aiming to replace the many seriously aging high maintenance plant, equipment and infrastructure. Alongside this, we are also going to undertake a more comprehensive slack season maintenance program using additional external engineers and professionals wherever necessary.

FSC invested $10.05 million in property, plant, and equipment, up from $6.94 million in the previous year. The Board will be reviewing its capital expenditure policy so that it better aligns with the annual depreciation write offs of $23 million.

Long periods of neglect, consequent plant degradation, absence of a well-coordinated preventative maintenance strategy and underinvestment in vital assets has now exposed the Corporation to unacceptable levels of factory performance, declining efficiencies, continuous mechanical failures and major financial losses. This is not in any way an indictment on the current management or employees. It is the direct outcome of a poor governance and disengaged oversight culture of the last twenty years which has seen many reckless investments, wastages and efficiency losses.

It is estimated that this litany of mismanagement has cost the Corporation many hundreds of millions with one project alone inflicting a loss of nearly half a billion in real terms. Needless to say, that a proper oversight of this single misadventure alone could have spared the Corporation from its current financial crisis.

Cane Production

The year presented many challenges, ranging from declining production to harvesting and transport to labor shortages.

Adverse weather conditions, including prolonged dry spells and unexpected high rainfall during the critical phases of the growing season, affected sugarcane planting, yield and quality. During the 2023 crushing season, we processed 1.57 million tons of sugarcane, producing 139,628 tons of sugar. Although, it represents a slight decrease from the previous year, the Corporation has continued as the leading partner in coordinating and managing the governments capital grants program (CPG), which is aimed specifically to assist farmers to increase production.

It is a matter of major concern that the crop projections for the current year also appear to be less than favorable. Current indications are that the prolonged drought would result in further substantial reductions and its flow on effect would also be felt on the following seasons crops. Unless there is a concerted effort by all the associated stakeholders, we will not be able to avert this eventuality.

Our commitment to enhancing the Tons Cane to Tons Sugar (TCTS) ratio remains steadfast, even in the face of challenges such as declining cane quality, significant increase in burnt cane and high presence of extraneous matter from mechanically harvested cane. The high TCTS ratio of 11.2, which is the second highest in the last 10 years is a clear outcome of these factors.
This underscores the ongoing need for constant refinement and improvement in our operational processes and the also to improve the quality of cane.

Despite these hurdles, the ongoing efforts in process optimisation and equipment upgrades have started to bear fruit. The Corporation has made significant progress in enhancing mill performance and reducing downtime. The focus on preventive maintenance, combined with targeted investments in technology and training, has improved operational efficiency.

The decline in production metrics, while concerning, has also prompted a renewed focus on agricultural practices and supply chain management. The corporation is working closely with growers to improve cane quality and yield, leveraging the technical expertise and resources to support sustainable farming practices. It is important that the all the stakeholders fulfil their roles in this mission.

Board and Governance: Enhancing Operational Integrity

2024 was a year of significant transition. It was the first year of operation under the direction of the new Coalition government after 16 years under the previous Fiji First administration. Given that the government is the major shareholder, the expectation that the Corporation continues to play an active social and economic role in the nation's livelihood, is at the forefront of all our Board deliberations. Our mandate is based on the policies, priorities and strategic directions given by the government.

To give effect to this vision, a completely new Board of nine directors (except one), representing a wide mix of experience, expertise and skills was appointed in May last year. Five of them have first-hand sugar cane farming background and the other four come with proven and well established professional corporate credentials.

The Corporation operates through seven Board Subcommittees namely; Finance & Audit, Remuneration & Nomination, Governance & Risk, Property , Cane Development, Sales & Marketing and for the first time in the Corporation's 51 year history a Corporate Planning & Development Committee. These committees play a crucial role in maintaining robust governance structures, providing independent oversight, and fostering transparency and accountability across all levels of the Corporation.

I wish to put on record their unwavering efforts and commitment to the maintenance of the highest standards of ethical integrity, conduct and compliance with all internationally recognized best practices. We as directors will hold ourselves to the same standards of accountability, transparency and good governance as we expect from our management and employees. May I point out that there are other sections of the industry which need to play a more proactive and hands-on role in the oversight, implementation and enforcement of policies and practices. The success of the industry lies in the collective cooperation of its five stakeholders and not just on FSC alone.

The industry's future, its recovery and viability has to be a shared responsibility for all.

Sustainability and Community Engagement: Driving Responsible Growth

Sustainability is at the heart of FSC's mission and operations. The Corporation is committed to promoting sustainable sugarcane production, reducing environmental footprint, and supporting the well-being of the communities. In 2024, FSC continued to promote and implement environmentally responsible practices across the operations, including initiatives to improve water management, renewable energy to reduce emissions, and energy efficiency.

FSC's community engagement efforts have also been strengthened, reflecting the commitment to being a responsible corporate citizen. It has maintained close collaboration with local growers, providing support and resources to enhance productivity and to ensure fair and equitable distribution of benefits.

Strategic Initiatives: Building for the Future

Under the guidance of our Board, FSC has remained committed to its strategic pillars, which includes restructuring our balance sheet, revitalizing crop production, improving mill performance, and optimizing revenue. These pillars have been critical in navigating the challenges of the year and positioning FSC for future growth.

One of the key strategy this year has been our renewed efforts to proactively identify our bottlenecks. To this end we were pleased to secure the technical assistance of a team of 6 sugar experts to help us identify and remedy the defects.

Given the seriously distressed state of FSC's finances and the litany of legacy issues, Government's ongoing support is vital to the future of the Corporation. There is no escaping that it will require substantial support on a continuing basis for the foreseeable future. To this end, the government has agreed to the restructuring of the $75 million EXIM Bank of India loan, provision of additional operating guarantees and most significantly a debt write-off of $200.2 million. This will strengthen our finances and give us greater financial operating capacity

The current perilous and run down state of our mills is not the outcome of today or yesterday. It is the cumulative effect of systemic neglect, inadequate maintenance, reckless investments, wastages and serious mismanagement of the last at least two decades. Those calling for overnight miracles should not lose sight of these abject failures.

Looking Ahead: A Path of Progress and Financial Constraints

Our pathway to the future is seriously impeded by our very weak cash flows and extremely limited borrowing ability. This deep stress has led to regular borrowings at high interest rates, often even to finance our normal operations and cane payments. This is reflected in the high annual average interest expenses of nearly $18 million for the last few years.

Of particular concern is the continuing blowout in its debt levels of the last 20 years, from a $7 million in 2006 to $443 million at the end of the financial year, $156 million of which is repayable in the next 12 months. With that level of extreme exposure, not only is the Corporation deemed to be insolvent but also forced to sustain itself on a regular dose of government guarantees. Worse still there is very little evidence of any prudent utilization of these funds into any long-term productive capital investments.

Looking ahead, FSC has to continue its journey of transformation and growth with increased zeal and determination. The progress we have made in financial performance, operational efficiency, and strategic planning lays a strong foundation for that.

FSC is fully focused on strengthening the value chain, from field to factory, to improve productivity and reduce costs. This includes investing in research and development to drive innovation in sugarcane agriculture and milling processes.

FSC cannot sustain itself on its current crop which is less than 1.5 million tonnes. It is therefore the responsibility of every stakeholder to commit themselves fully to its recovery.

The Corporation is actively exploring opportunities for more value-added products, diversification, manufacture of ethanol, refined sugar, (SAF) sustainable aviation fuel, bio mass energy and cogeneration.

This will help us mitigate risks associated with market volatility and enhance our ability to generate stable long-term revenues towards building a resilient, diversified business that can thrive in a dynamic and rapidly changing global economy. It is engaging with international agencies and bilateral partners for mill upgrade assistance, skill development and training and evaluating prospects for viable commercial joint venture collaborations.

The undeniable reality is that the Fiji sugar industry has lost its competitive position in the global market and it now requires an urgent dose of catchup therapy at every level of the production and manufacturing chain. This will call for major investments in technology, agricultural practices, mill operations, transport infrastructure and upskilling of our human resources.

Because of the uncertainties surrounding the volume of cane production, the serious contraction in the number of active growers and declining farming returns and the need for diversification, FSC is reviewing its position in relation to its various options about the future restructuring of its mills and its supporting infrastructures. Given the long-term implications of these decisions and the magnitude of the investments, these will have to be very carefully evaluated by our Board in consultation with the experts and the government. The Board believes that we should not rush into short term solutions based on populist and expedient motivations.

Employees and Industrial Relations

I am pleased to put on record the loyalty, commitment and unwavering support we have received from our employees. Their teamwork and sacrifices have been commendable. For the first time in the last 4 years, our Board approved a wage increase of 5% for all our employees. All the sugar unions have engaged very positively with us and we are grateful for their understanding of the dire state of the Corporation and their willingness to be a responsible partner in its recovery.

We recognize the importance of our team and the dignity of their labor. They have a legitimate stake in FSC and that is covenant we will uphold respect. Their resilience, creativity, and dedication have been instrumental in navigating the challenges of the past year.

The Board has also declared its commitment to restoring a more equitable gender balance in our workforce and specific measures have been agreed to achieve that.

The Board alongside its Strategic plan exercise has also agreed to a comprehensive job evaluation for its management staff with a more robust definition of their responsibilities that better responds and reflects the challenges of today.

The Board acknowledges the goal of localization but given the skill shortages and regular loss of qualified personnel, it has a responsibility to ensure that quality, competence and meritocracy still remains the cornerstone of our human resources.

Acknowledgements

I also extend my sincere thanks to all shareholders, all our industry stakeholders, the farmers, transport and harvesting sector, land owners, farm workers, and our management for their continued support and confidence in FSC's strategic direction. Your trust in our leadership and vision is critical to our ongoing success.

To my fellow Board members, I am grateful for your guidance, expertise, and dedication. Your strategic insights and commitment to good governance have been invaluable in steering the Corporation through a challenging year. Despite your very brief period of stewardship, you all have made significant contributions and impact on the future of FSC.

As we move forward into 2025, FSC remains focused on delivering value to all stakeholders while upholding the principles of integrity, transparency, and sustainability. We are confident that with the continued support and goodwill of the nation, we can make a positive difference to the industry's destiny. The journey ahead will undoubtedly present new challenges and opportunities, but we shall remain united in our resolve to navigate them with resilience and determination.

Thank you for your continued support and trust in the Fiji Sugar Corporation Limited. Together, we will build a stronger and more sustainable future for the sugar industry in Fiji.

Nitya Reddy
Chairman

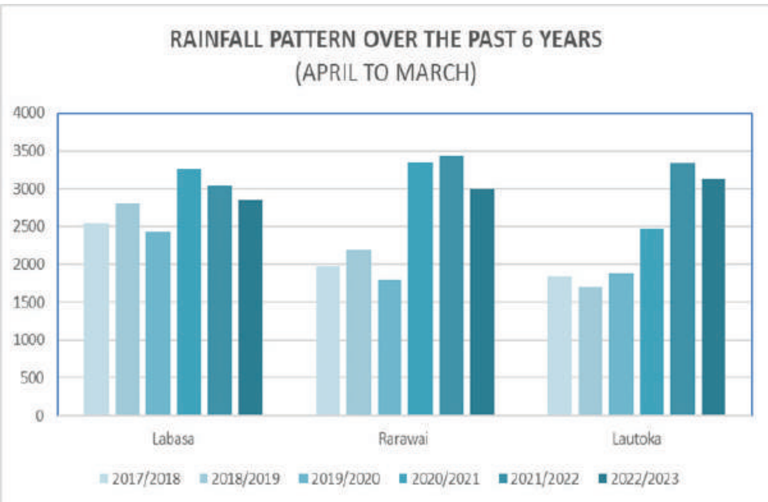
CEO's Report

BHAN PRATAP SINGH

CLIMATE IMPACT

The rainfall from the months of June to September during the crushing season was significantly higher than last year, resulting in the inability of harvesters to operate in flats continuously, thereby impacting cane supply, especially in Labasa. The number of rainy days was more by 14 days on average across the three mills in the four months from June to September. The rainfall was around 250 mm in all units as against the normal range of 100-150 mm with double the number of rainy days over last year. Though the rainfall did augment well for sustaining productivity in Hilly terrain, it had a negative impact on cane productivity and production in flat lands by 5%.

There has been a sustained and significant increase in average annual rainfall in comparison with the last 8 to 10 years, as depicted in Table 1, which may impact crop production every year due to the lowering of soil fertility through leaching, erosion, and extensive proliferation of weeds. However, projections generally suggest a decrease in dry-season rainfall and an increase in wet-season rainfall over the course of the 21st century. Increased wet season rainfall is expected due to the projected intensification of the South Pacific Convergence Zone. (World Bank report, 2022).



Steps on drainage, supplementary irrigation systems, novel weed management, and soil nutrient management technologies are proposed to be taken by FSC with the support of the Ministry of Sugar Industry (MOSI) and Sugar Research Institute of Fiji (SRIF) to mitigate the mid to long-term impacts. Extensive work on Drainage systems to mitigate climate change impacts was required, which is now forthcoming with a provision of $ 5.5 Million in the current financial year by the Government. Infield levelling and drainage are also planned to be addressed with the introduction of power harrows and laser levellers by FSC to ensure that waterlogging within the field is minimised and water drains onto the infield drains.

Introduction And Demonstration Of Laser Leveller And Power Harrow

CANE PRODUCTION

The 2023 season crop was 1.57 million tonnes from a harvested cane area of 32,285 Ha, supplied by 10,565 growers with an average productivity of 47 tonnes per hectare. This is a decrease of around 4% from the 2022 season crop production of 1.63 million tonnes with an average productivity of 49 tonnes per Ha. The significant decline in the overall crop was only due to the reduction of crops in the Labasa mill area. The cane production in the Rarawai mill increased by 7% over the previous year, while cane production in the Lautoka mill decreased by 7%.

The critical reasons for the significant reduction in cane production by 13% in Labasa over last year are due to continuous rains and the resultant waterlogged condition of fields well into the harvest season. The crop productivity was good in 2022 as 97% of the crop was harvested by 31st September 2021, and only 76% of the cane was harvested by 31st September 2022, leading to poor crop management and crop damage due to rains later in the season.

This resulted in poor crop outturns in flat lands and especially in mechanically harvested fields in the 2023 season. The growth of the crop was affected by continual cloudy weather in the current year, unlike last year, with a lack of sunshine hours for days to end, leading to stunted crop, thin canes, lack of adequate canes due to poor tillering, and also excessive proliferation of weeds.

CANE PLANTING

The planting achievement as of 31st October 2023 was 1,671 Ha. as against 1,562 Ha. for the corresponding period in 2022, which is a 6% increase over the previous year. The number of active farmers on average has decreased by 240 every year in the past 20 years, and in 2022, 526 farmers exited cane cultivation as against 307 growers in the 2023 season.

A **"Farm Management agreement"** has been finalised and implemented by FSC in conjunction with the Sugarcane Growers Council to promote fresh planting and expansion of cane production by productive growers and therein aiding farmers unable to cultivate cane in their contracted lands. 1,870 Ha. of fresh planting and replanting was achieved from August 2022 to July 2023 utilising the Cane planting grant program of the capital grants program of the Government.

FSC initiated the concept of **"Tractor Service Providers or TSP, "**wherein entrepreneurs with good tractors and sets of implements render ploughing and planting services to farmers at a reasonable cost, efficiency, and on time. One hundred thirty-nine (139) tractor service providers were contracted since April 2023 rendering their services to over 750 farmers. It is proposed to introduce 12 mechanical planters to boost planting significantly from the ensuing season, and demonstrations were conducted in sectors with the planters.

Sugarcane Planter Demonstration

CANE DEVELOPMENT

Farmer Connect

Grower visits to foster stronger grower connections have been targeted with metrics and updated by Farm Advisors on Tablets and Field officers in the cane management system. Significant improvement has been recorded in visits over the same period last year when the percentage of farmers visited was 30-35% as against 68% in Lautoka, 74% in Rarawai, and 81% in Labasa. Four hundred thirty-three (433) farmer training programs have been conducted in the financial year across three mills of FSC.

The Information Technology (IT) department of FSC is embarking on an exciting new venture: the development of the company's first-ever mobile app and portal for its growers. This project marks a significant milestone in the company's digital transformation journey, aiming to expand its reach and enhance grower engagement through modern technology. With the development of the Grower Portal & Mobile App, it will assist the growers to access data regarding their farms and cane payments directly on their smart devices with the need to visit sector offices. The project started in November 2023 and is expected to be launched by October 2024 after series of development, testing and training.

Cane Productivity Improvement

FSC implemented many new cane development initiatives in the financial year.

- Application of Aglime compulsorily to all fresh planting or replanting with cane planting grant to mitigate the impact of soil acidity.
- FSC online soil testing and reporting module to enable proper tracking and issue of soil test reports on time to farmers.
- Application of Blend B as a top-up fertiliser in ratoon crops similar to plant crops to increase the productivity of ratoon crops. Application of Blend B in 425 Ha. during the 2022 season resulted in an overall production improvement of 11% in 2023.
- Fertiliser applicator for precision and timely application of fertilisers was demonstrated to farmers and 16 fertiliser applicators are to be introduced in the year 2024.

Fertiliser Applicator Demonstration

HARVESTING AND TRANSPORTATION

Labour paucity and escalating costs are a persistent and ever-growing challenge to the sugar industry. Manual harvest still accounts for approximately 50% of cane harvest and supply, while the number of cane cutters has decreased to just around 5,000 – 6,000 cutters. Farmers are not able to secure labourers to work, especially for harvest, in their sugar cane farms.

In the 2022 season, the stand-over cane was 26,040 tons, of which 82% was either due to lack of labour or high cost of labour that the farmers could not meet. In an escalating trend, the total stand over cane (cane that could not be harvested during the season) has increased to 28,575 tons, which is a 10% increase over the 2022 season, and 93% of cane was left without harvest due to labour-related issues. 87 % of the stand-over cane was from undulating and hilly terrain where mechanical harvesters could not operate and the problem is of grave concern in all areas of manual harvest. FSC is closely working with the Ministry Of Sugar Industry for the introduction of harvesters suitable for harvesting cane in hilly areas by 2024-25.

Mechanical harvesting contributed 42.4% of the total cane harvested during the season. This was an increase of 5% from the 2022 season. In 2016, 8.9% of cane was mechanically harvested; however, significant progress has been made in the last seven years, both in terms of the number of harvesters and the volume of cane harvested. The fleet has increased by 92 while the volume of cane harvested to 42.4% of the total crop is a clear testimony of the growing demand and urgent need for mechanisation of sugar cane farming.

Mechanical Harvester Trend (2016-2023)

Year	No. of Harvesters	Tonnes Harvested	% of Total Cane Harvested
2016	20	123,519	8.9
2017	44	307,013	18.9
2018	59	496,202	29.2
2019	87	629,762	34.9
2020	89	613,974	35.5
2021	98	511,331	36.1
2022	104	631,081	38.5
2023	112	663,127	42.4

Summary of the Mechanically Harvested Cane for 2023 Season

Mill Region	Harvesters Available	Green Tonnes Harvested (t)	Burnt Cane Harvested (t)	Total Cane Harvested (t)	Average Harvest/ Harvester (t)	% Burnt Cane Harvested
Lautoka	35	101,667	99,617	201,284	5,751	49
Rarawai	35	107,999	128,278	236,277	6,751	54
Labasa	42	153,188	72,378	225,566	5,371	32
All Mill Area	112	362,854	300,273	663,127	5,921	45

Cane burning continues to be an area of grave concern, affecting both the productivity of farms and milling efficiency therein, impacting the profitability of both farmers and FSC. Cane burning has significantly increased over the previous season by 10 % and necessitates changes in crop management practices and strong policy directives to ensure that a significant reduction in cane burning is achieved within a definitive time frame.

5 Years Burnt Cane Percentage					
Mill	**2019**	**2020**	**2021**	**2022**	**2023**
Lautoka	58	62	54	55	51
Rarawai	58	60	63	53	59
Labasa	34	35	46	30	32
Average	**49**	**51**	**56**	**44**	**54**

New Harvest and Transport Initiatives

- Registration of harvesters by the Tribunal was a new step initiated by FSC to streamline harvester operations.
- Harvester operational logbooks have been issued for the first time to all harvester operators with a detailed SOP, data capturing, and monitoring of harvester operations and field conditions.
- Twenty-four (24) cage bins have been transferred to Labasa from Lautoka to support billet harvest in rail sectors, leading to an increase in rail cane supply in Labasa from 155 tons per day last year to 719 tons in the current year. New cage bins are also proposed to be purchased with support from the Government in the ensuing year.
- FSC introduced a new semi track harvester attachment to entail current harvesters to operate in slopy lands with plans for further such introduction to existing harvesters after testing.

FSC was also the implementing agency of the new drainage program and cane access road programs of the Government. The target of the drainage program was to desilt and clear the Infield drains of approximately 956,280 meters for more than 5,000 affected active cane growers with a provision for another 50,000 meters of additional requirement with commencement of work by 30th November 2023.

A budget of $ 800,000 was allocated, and an amount of $686,786 has been utilised with the provision of culverts to 332 farmers across three mills. An amount of only $113,213 is left at the end of 2023, which is earmarked for issue to genuine farmers in need of the culverts before the commencement of crushing season in the ensuing year.

A total of 3,360 roads have been repaired as of November 2023 with 100 % completion of works on time and with no complaints from farmers in the last season. Seven crossings were also identified for repairs, and all have been completed as of March 2024. The Government and FSC also made an allocation of $2.0 Million for crossings with the support of the Ministry, identified and completed four out of ten crossings in 2023.

FACTORY Operations

Lautoka Mill

Lautoka Mill commenced crushing on the 31st of May, 2023 and ceased crushing on the 28th of November, 2023 recording a season length of 25.8 calendar weeks. The total amount of cane crushed was 582,815 tonnes, with 48,247 tonnes sugar produced. The average seasonal TCTS ratio was at 12.1 and the total molasses produced for the season was 24,877 tonnes, which is 4.3% molasses on cane. A total of 192,990 tonnes of cane was transferred from Rarawai to Lautoka Mill.

The seasonal average POCS and Cane Purity were 9.60 units and 79.1% respectively. The cane quality is still a worrying factor for the industry as this is still below the required level and is affecting the industry's capability to produce more sugar. The total percent burnt cane was recorded at 52.9%, which, in addition to other factors, contributed to depressed sugar recovery, difficulties in operations, and increased losses in molasses and operational costs. Extraneous matter in cane was 18.0%, which is very high with the influx of mechanically harvested cane, contributing to the sugar losses in the Boiling House. The total outside stops were 32.1 hours per week, while the Inside stops were 22.1 hours per week.

The Cleaning Intermission (CI) stops were 16.2 hours per week. The increase in CI stops was associated with the frequent Sunday shutdowns caused by the weak cane supply on this particular day. The major inside stops were encountered in the boilers, feeding, and crushing stations. At the same time, the process end recorded significant stoppages due to the problems associated with the injection water pumps and other plant issues

Rarawai Mill

Rarawai Mill commenced crushing on the 15th of June, 2023 and ceased crushing on the 10th of November, 2023. The total cane crushed at Rarawai mill was 427,055 tonnes, with an average crushing rate of 220 tonnes of cane per hour during 21.1 calendar weeks of operation. The crushing time of 91.7 hours per week was recorded with inside stops of 40.1 hours per week and outside stops of 15.0 hours per week, while CI & holiday stops average 21.2hrs/per week. A significant portion of the Inside stops was due to issues with the boilers.

The pre-crush estimate for the Rarawai mill was 597,000 tonnes of cane. A total of 192,990 tonnes of cane from this mill was transferred to Lautoka mill, and a total of 2,217 tonnes of Lautoka mill's cane was crushed at Rarawai Mill.

Cane POCS and Purity averaged 9.50 and 78.9 units, respectively. Cane quality has notably declined from the previous year. Mechanically harvested cane also continues to be a concern, as extraneous matter for the season was 11.3%, which is an increase from the previous season. The percentage of burnt cane processed during the season stands at 53.5%, a significant factor affecting the quality of cane and the sugar recovery.

The total sugar produced was 36,494 tonnes, with a TCTS ratio of 11.7 units.

Factory inside stoppages centred around the Boiler station. Boiler performance was generally poor throughout the season, and this did not allow for continuous operation, which resulted in lower crushing time.

Labasa Mill

LThe 2023 crushing season commenced on the 31st of May 2023 and ceased crushing on 11th November 2023. The total cane crushed at Lautoka mill was 555,716 tonnes, with an average crushing rate of 229 tonnes of cane per hour during 23.5 calendar weeks of operation. The crushing time of 103.5 hours per week was recorded with inside stops of 6.1 hours per week and outside stops of 42.5 hours per week, while CI & holiday stops average 15.9 hrs/per week.

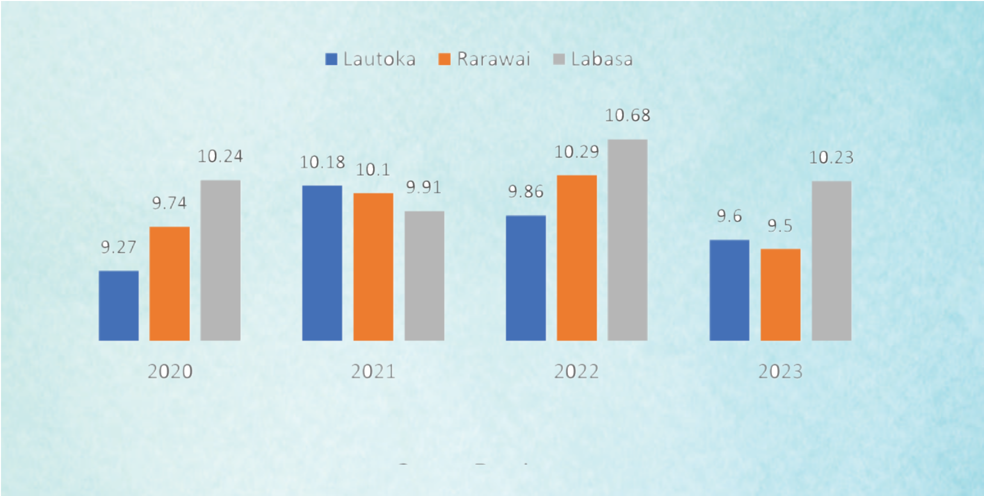
One of the major contributors to poor cane supply was the frequent rain stops and poor harvesting efforts, which also inflated the season length and operating costs for the factory. Outside stops strongly dominated the total stops, which was attributed to low cane supply due to poor harvesting effort and rain, totalling 997.3 hours, increasing from the previous season. Cane quality has been an area of concern as it has declined in the last year.

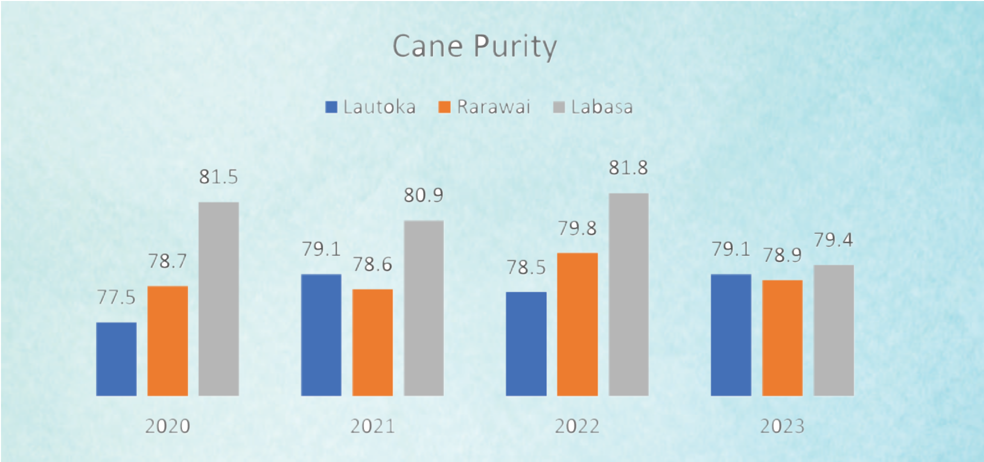
POCS for the season stood at 10.23, with cane purity being 79.4. Fibre in cane was 12.41 units. Burnt cane processed was 32.6% of the total cane crushed in the factory. Sugar manufactured for this season was 54,887 tons, achieving a TCTS ratio of 10.1.

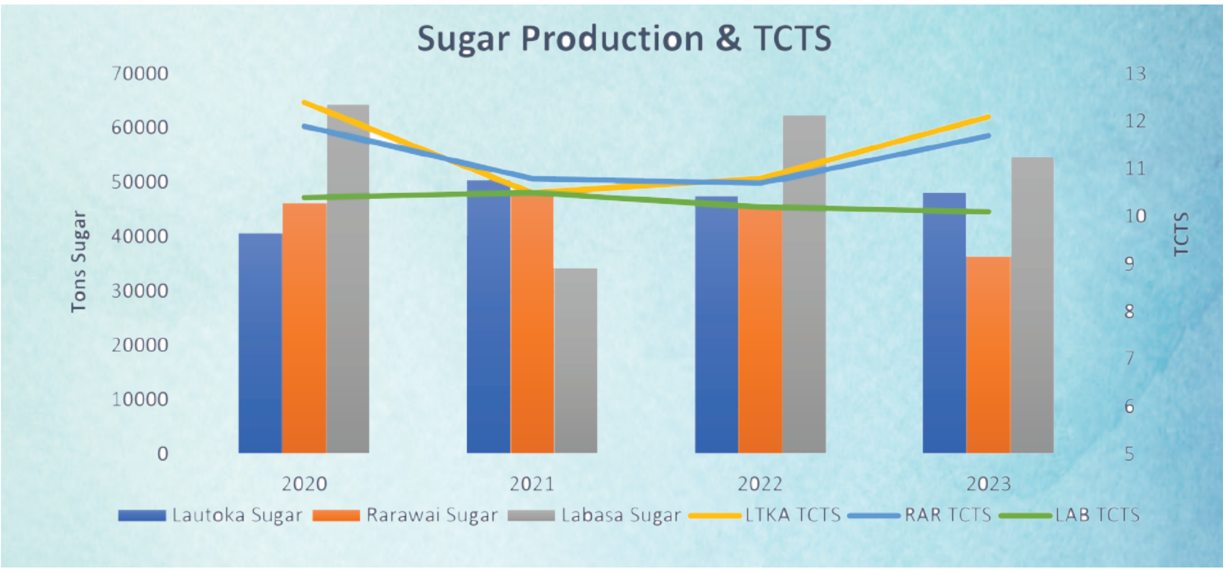
A total of 23,476 tons of molasses was produced with molasses percentage cane of 4.2%.

Targets vs Achievement for 2023 Season

Parameters	Lautoka		Rarawai		Labasa		Total/Av	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Tonnes Cane Crushed	526,370	582,815	497,000	427,055	634,000	555,716	1,657,370	1,565,586
Tonnes Sugar Made	50,613	48,247	47,788	36,494	60,962	54,887	159,363	139,628
Tonnes Molasses	23,687	24,877	22,365	19,657	28,530	23,476	74,582	71,939
Molasses% Cane	4.5%	4.3%	4.5%	4.6%	4.5%	4.2%	4.5%	4.6%
TCTS	10.4	12.1	10.4	11.7	10.4	10.1	10.4	11.2
Inside Stops(hrs/wk)	14.0	22.1	14.0	40.1	14.0	6.1	14.0	22.8
Outside Stops(hrs/wk)	14.0	32.1	14.0	15.0	14.0	42.5	14.0	29.8
Cleaning & Maintenance(hrs/wk)	10.0	16.2	10.0	21.2	10.0	15.9	10.0	17.8
Actual Crushing Time (hrs per week)	130	97.7	130	91.7	130	103.5	130	97.6
Crushing Rate(tcph)	250	228	230	220	250	229	243	226
Season Length (calendar weeks)	16.3	25.8	16.6	21.1	19.5	23.5		







2023 Season Cane Quality

Parameters	Lautoka	Rarawai	Labasa
POCS	9.60	9.50	10.23
Cane Purity	79.1	78.9	79.4
Fibre in Cane	11.60	11.70	12.41
Burnt Cane Received (%)	53	62	33

HUMAN CAPITAL
Management

Retiree Management

The HR department is dedicated to ensuring our employees are well-equipped to meet their role requirements and contribute to the Corporation's strategic goals. These activities and achievements highlight FSC's commitment to enhancing the overall employee experience, driving organisational performance, and ensuring compliance and operational efficiency.

Recruitment and Talent Acquisition

The Corporation adheres to a MERIT-based recruitment system involving advertising, screening, shortlisting, and conducting interviews/assessments before onboarding, in compliance with the Employment Relations Act (ERA) 2007 national law. Recently, FSC has been actively recruiting expatriates from countries such as India and the Philippines. Currently, we have 42 employees from India and 4 from the Philippines across the three mills. This practice not only helps to address existing skill gaps but also brings in qualified individuals with advanced and new technological skills from international markets.

Training & Development

The Corporation's learning and development team is aligned with Fiji National University's (FNU) grant and levy act whereby FSC identifies training needs, i.e. via department, individual and organisational from where the training plan for the year is drawn. The team executed the following training for the 2023 calendar year.

Mode of Training						
Details	Virtual	Face to Face	Internal	External	On the Job Training	Totals
No. Of Training Conducted	0	125	56	34	35	250
No of Attendees	0	2019	1,411	530	78	4,038

Employee relations

The Corporation maintains close collaboration with all five distinct trade unions. Last year, we reviewed and adjusted the wage structure for the clerks and supervisors' union. The 2023 crush roster was successfully negotiated with all five trade unions and agreed upon in good faith, with no further claims from the unions.

Compensation and Benefits

The Corporation is committed to providing fair and equitable compensation to all categories of workers. The Corporation engaged 1984 employees across the three mills with annual wages cost of $23,734,367.

Employee engagement after retirement age

The Corporation continues to retain skilled and experienced employees even after they reach retirement age. This practice helps retain talent while ensuring knowledge transfer to successors. In 2023, FSC continued to employ 34 individuals despite them reaching the retirement age of 55.

Diversity and Inclusion

The Corporation continues to promote diversity across its workforce ratio. As of December 2023, the following was the workforce ratio:

Table Text

Year:	January - December 2023									
	Manning			Ethnicity				Gender		
Mills	Non-Staff	Staff Officers	Total Per Mill	Fijian	Indo-Fijian	Others	Total Per Mill	Male	Female	Total Per Mill
Lautoka	524	81	605	353	232	20	605	572	33	**605**
Labasa	445	60	505	169	332	4	505	484	21	**505**
Rarawai	538	63	601	293	293	15	601	573	28	**601**
Head Office	2	28	30	9	15	6	30	16	14	**30**
Total for 2023	**1509**	**232**	**1,741**	**824**	**872**	**45**	**1,741**	**1645**	**96**	**1,741**

Challenges in Talent Acquisition and Retention

The Corporation faced a significant challenge in 2023 due to the migration of skilled tradespeople, which led to a notable shortage of skilled labour. This exodus of experienced workers created operational difficulties, as the remaining tradespeople were either new or had limited experience, affecting productivity and efficiency. The remedy factor used for this was:

Increase Apprenticeship Programs:

FSC expanded the apprenticeship scheme by onboarding more numbers in the 2023 intake; the total intake for 2023 apprentices was 21. This ensures a steady influx of trained workers who can gradually take on more responsibilities as they gain experience.

Trade	Lautoka Mill	Rarawai Mill	Labasa Mill	Total
Fitting & Machining	2	1	3	**6**
Electrical Fitter	2	3	3	**8**
Electronics	1	1	3	**5**
Welding & Fabrication	0	1	0	**1**
Plumbing	0	0	0	**0**
Heavy Mobile Plant	0	0	1	**1**
Auto. Electrical	0	0	0	**0**
Total	**5**	**6**	**10**	**21**

Robust Recruitment Strategy

Introduction of revised recruitment strategy by engaging workers from other countries whereby FSC partnered with internal and external recruitment agencies to tap into a broader talent pool and expedite the hiring process. This approach helped in quickly finding qualified candidates to fill the immediate gaps and maintain operational continuity.

Retention Programs

The Corporation has created initiatives aimed at retaining existing skilled tradespeople by reviewing their conditions of employment, such as retirement age, leaves, wage indexes, career development opportunities, etc. In 2023, 20 tradespeople were promoted to higher roles.

RISK MANAGEMENT, Compliance & Sustainability

The Corporation is dedicated to maximising its ability to achieve strategic objectives while maintaining consistent performance and adhering to statutory obligations and ethical values. FSC remains committed to its efforts to integrate safety, environmental stewardship, sustainability, risk management, food safety, and quality into the corporate culture. This commitment is reflected through initiatives at all levels, continuous improvement programs, emergency preparedness, on-the-job training, incident management, and awareness training. The report provides a comprehensive review of the organisation's activities and performance over the past fiscal year, highlighting the commitment to risk management, compliance, and sustainability, which are integral to FSC's strategic objectives and operational practices.

Risk Management

Effective risk management is crucial for stability and success. Over the past year, FSC has enhanced the risk assessment processes and implemented robust measures to mitigate potential threats in key areas such as financial, operational, strategic, and regulatory risks. The risk management framework is designed to identify, assess, and prioritise risks, enabling FSC to take proactive steps in safeguarding its assets and reputation.

The management team actively involves employees in providing relevant information to identify potential or new risks, review current controls and review existing controls or opportunities to implement new controls during departmental meetings, awareness sessions and informal sessions.

The following activities are carried out to ensure the risk management processes remain efficient and effective and are aligned to meet the strategic goals.

- Quarterly Risk and Governance Sub-committee meetings
- Quarterly review of the Corporate Risk Register
- Quarterly review and update of Risk Libraries

Compliance

Maintaining compliance with laws, regulations, and internal policies is fundamental to the operations. FSC has strengthened the governance structures to ensure accountability and ethical decision-making, complied with all relevant local and international regulations, conducted extensive training programs to educate the employees on compliance requirements and ethical conduct, and regularly audited the processes and systems to detect and rectify any compliance breaches promptly. The commitment to compliance not only protects FSC from legal risks but also builds trust with the stakeholders, including customers, investors, and regulatory bodies.

1. Health & Safety Compliance

A robust safety culture is essential for the success and efficacy of health and safety management systems. Employees are now actively assuming responsibility for safety across all levels, utilising their unique insights into their own tasks. The Corporation recognises this shift towards a safety-oriented mindset. It is committed to further cultivating this culture through on-the-job training (OJT), informal briefings, pocket meetings, and sessions to enhance the Corporation's risk culture. The Corporation places a major emphasis on the following areas to improve the safety culture at the workplace and will continue to reinforce and enhance productivity;

Injury Management

Overall safety culture has improved compared to previous seasons while analysing figures for Medical

Treated Employees (MTs), First-aid-injuries (FAI's) and Near Misses. The Corporation acknowledges that more informal meetings and sessions with employees at all levels are required to improve the safety risk culture of the Corporation and contribute effectively to the risk management system in place. The safety committee works closely with the HR/Training department and respective business units to enhance employee knowledge and skills through awareness training and direct involvement in embedding risk management in the culture and operations of the Corporation.

Safety Inspections and Hazard Analysis

Regular (Monthly) safety inspections are being conducted to monitor safety compliance which include tools, plants, machinery and processes. Assistant Safety Officers are with day-working groups (DWGs) to provide on-the-job training to subordinates where required. Monitoring and restricting access to employees and contractors entering the mills without proper PPE and ensuring adequate availability of PPE for employees is prioritised.

Training Awareness and Employee Involvement

All regulatory compliance training is provided to relevant employees, such as Fire-warden, Firefighting, First-Aid and OHS Modules I & II. The mill management team are encouraged to involve employees in providing relevant information in the identification of potential or new safety risks, review of current controls, and opportunities for implementation of new controls.

Process and Facility Improvement

Removal, replacement and repair of rusted/corroded structures, including platforms, stairways and railings, to mitigate safety hazards. Repair works are carried out based on inspection reports submitted by safety officers on the availability of materials and employees. Permit protocols are strictly adhered to for high-risk work activities such as working at heights, hot works, confined space entries, digging, and trenching.

2. Environment Compliance

As the nation's leading sugar manufacturer, the Corporation is committed to upholding social responsibility and adhering to environmental regulations while ensuring the production of sugar. This commitment is integrated into the operational systems through a continuous improvement process. The Corporation places a major emphasis on the following areas to improve environmental compliance.

Boiler Dust Emission

An independent consulting firm was engaged in carrying out ambient dust/soot emission analysis (PM 10 and PM 2.5) from the boilers during the crushing season for all three mills. According to the analysis, the Dust Levels at all the plants are well in compliance with the 2007 National Air Quality Standards (NAQS). FSC continues to have this analysis conducted annually to develop a positive trend and track this set of environment compliance parameters.

Effluent Discharge Analysis

An independent accredited lab was engaged to perform a wide range of analyses (physical, chemical and microbiological) of effluent discharge on a monthly basis. FSC will continue to have this analysis conducted monthly to develop a positive trend and track this set of environment compliance parameters. This is in additional to daily shift analysis carried out internally.

Boiler Upgrade

Labasa Mill has successfully completed a major boiler upgrade, which is the installation of an MCDC unit during maintenance season. This project has demonstrated FSC's commitment to regulatory compliance, environmental sustainability and corporate social responsibility

3. Food Safety, Quality Compliance

The Corporation is dedicated to producing safe, high-quality products that comply with regulatory requirements. Ensuring food safety and product quality is a collective responsibility entrusted to all employees of the Corporation. It is through their competence and diligence that high standards of quality are consistently achieved.

Quality Control and Assurance

More focus has been placed on monitoring post-manufacturing processes to ensure the product produced is safe from in-process and external contamination of Direct Consumption Raw sugar. Enhancing quality control mechanisms such as magnets and screens has led to the achievement of significant results.

Product Conformity Analysis

An independent accredited lab was engaged to carry out a range of microbiological and heavy metal analyses on the product (sugar) twice, which were well within the acceptable limits. The Corporation will continue to have this analysis conducted annually to develop a positive trend and track this set of food safety compliance parameters.

Sustainability (Sustainable Development Goals)

The Corporation is dedicated to promoting environmental stewardship, social responsibility, and economic viability. FSC's sustainability efforts have included implementing energy-efficient practices, reducing waste, and increasing the use of renewable resources. FSC has also engaged in community development programs, ensured fair labour practices, and promoted diversity and inclusion within the workforce.

The Fiji Sugar Corporation Limited (FSC) is committed to advancing the United Nations Sustainable Development Goals (SDGs) through various initiatives and programs. As a responsible corporate entity, FSC endeavours to actively contribute to attaining these significant global sustainability objectives.

1. Gender Equality (SDG 5)

In the last financial year, FSC has demonstrated improvement in Gender Equality as females represented 6.2% of the total workforce compared with 5.1% in FY2023, showing commitment to advancing the Sustainable Development Goal. There has been a consistent increase in the representation of women over the years, indicating significant progress in addressing gender disparities. This trend aligns with the FSC's commitment to promoting gender equality and inclusivity within its operations.

- **Equal Pay:** There is no gender pay gap at FSC, as the Corporation is committed to gender equality. FSC ensures that all positions are compensated fairly following national laws and collective agreements, guaranteeing pay equity regardless of gender, race, age, ethnicity, or other factors.

- **Workplace Policies:** FSC is dedicated to fostering an inclusive and equitable workplace. The Corporation has implemented an 'Equal Employment Opportunity Policy,' which is regularly reviewed to further strengthen its commitment to gender equality. Additionally, FSC adheres to the Employment Relations Act (ERA) 2007 section 75, which outlines prohibited grounds of discrimination, ensuring robust measures are in place to prevent gender-based discrimination and harassment.

- **Training and Capacity Building:** FSC actively promotes gender equality through its training and capacity-building initiatives. These programs are designed to be gender-neutral, offering equal opportunities for professional development to all employees. There has been a consistent, gradual increase over the years in the representation of females in FSC's training and development programs from 5.7% in FY2020 to 11.4% in FY2024. The percentage of female participation shows improvement, particularly in the last financial year, reflecting FSC's ongoing efforts to promote gender equality and inclusivity in professional development. This positive trend suggests that FSC is progressing towards achieving gender balance in its training initiatives.

2. Decent Work and Economic Growth (SDG 8)

- Diversity and Inclusion: FSC implements policies that promote the hiring of a diverse workforce, encompassing gender, ethnicity, age, and disability representation. Additionally, we engage workers from countries such as India and the Philippines to enrich our talent pool with diverse skill sets, specialised expertise, global recruitment best practices, and cultural competency.
- Merit-Based Recruitment: The hiring practices are founded on merit-based qualifications and requirements (MQR), focusing on skills, qualifications, and experience to attract top talent.
- Transparent Processes: The onboarding process is fair and transparent, ensuring clarity from the advertisement stage to the appointment.
- Continuous Learning: FSC offers ongoing training programs to enhance employees' skills and provide career advancement opportunities. These programs are conducted in partnership with internal and external training experts, including institutions like Fiji National University (FNU) and the University of the South Pacific (USP).
- Apprenticeship Program: FSC leads the apprenticeship program governed by FNU, addressing technical skill

gaps in areas such as welding, plumbing, fitting, and machining.

- Work-life balance: FSC promotes wellness programs every Wednesday from 4 pm to 5 pm, allowing employees an hour to engage in sporting events, team bonding activities, and more.
- Recognition and Rewards: Top achievers and high performers are recognised through individual performance assessments.
- Employee Feedback: Employees provide feedback and claims via their trade unions annually. These are negotiated and implemented to improve workplace conditions and morale.
- Competitive Salaries: The Corporation strive to offer competitive salaries and wages to attract and retain our workforce.
- Comprehensive Benefits: FSC provides health insurance, retirement payments, paid leave, and housing benefits to eligible employees.
- Safe Working Environment: Safety officers at all three mills ensure compliance with safety regulations, maintaining a safe working environment.

3. Climate Action and Sustainable Practices (SDG 13)

- Infield Drainage Scheme: FSC has implemented an infield drainage scheme to clear drains to mitigate the impact of floods and waterlogging. This initiative helps manage excess water, protecting sugarcane crops from flood damage and ensuring sustainable agricultural practices.
- Climate-Resilient Sugarcane Varieties: FSC promotes using sugarcane varieties that are resilient to climate stresses such as saltwater intrusion and drought. These varieties are selected explicitly for areas affected by seawater and drought, ensuring the sustainability of sugarcane farming under changing climatic conditions.
- Sugarcane Trash Conservation: By promoting the conservation of sugarcane trash, FSC reduces the water footprint of its farming operations and minimises cane burning significantly reducing CO_2 emissions. This initiative helps conserve soil moisture and reduce greenhouse gas emissions.
- Integrated Nutrient and Soil Health Management: FSC employs integrated nutrient management and soil health practices to improve the fertility and health of the soil. This includes the balanced use of fertilisers and organic amendments to maintain soil productivity and reduce environmental degradation.
- Need-Based Fertiliser Application: Through soil testing, FSC prescribes and applies fertilisers based on the soil's specific needs, thereby reducing the carbon footprint associated with fertiliser use. This precision agriculture approach minimises excess fertiliser application and its environmental impact.
- Ecofriendly Pest Management: FSC adopts eco-friendly pest management practices, such as using pheromone traps for pest control and ecologically safe weedicides in compliance with Fairtrade guidelines. These practices reduce the reliance on harmful chemicals and promote biodiversity.
- Rail System for Cane Delivery: To reduce pollution from vehicle emissions, FSC utilises a rail system for cane delivery. This mode of transportation is more environmentally friendly than roadways, reducing cane transport's carbon footprint.
- Mechanisation of Cane Cultivation and Harvest: FSC has embraced mechanisation in cane cultivation and harvesting to enhance energy efficiency and promote energy-positive crop production. Mechanisation reduces labour intensity and improves overall farm productivity while minimising environmental impact.
- Environment Compliance: FSC ensures that the mills' operations are in compliance with the national regulations and takes necessary corrective actions to mitigate any nonconformance identified, which includes facility upgrades, process reviews, independent testing, and in-house monitoring.
- Recycling of Waste Product and Electricity Generation: The bagasse produced as solid waste during the sugarcane crushing process is used as the source of fuel for the boiler to generate steam to operate the mill without external sources of fuel such as wood chips and diesel. Additionally, the FSC is focusing on Cogeneration, electricity generated from the combustion of bagasse, the excess is transferred to the EFL grid for public consumption. This contributes to a more sustainable and environmentally friendly operation, aligning with global efforts to combat climate change.

4. Key Partnerships and Initiatives (SDG 17)

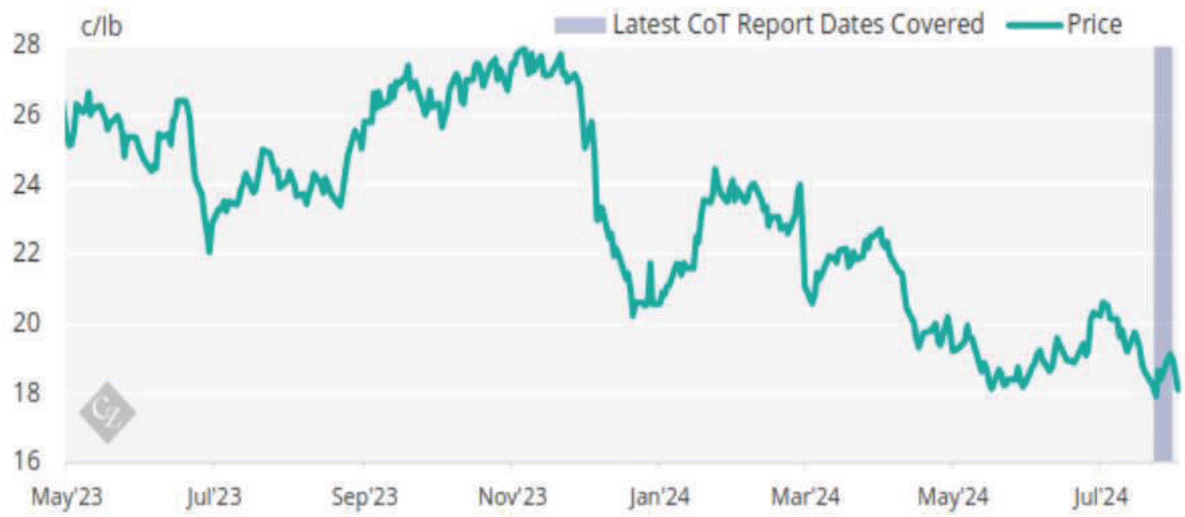
- Pro Terra Sustainability Standards: FSC promotes Pro Terra sustainability standards and conducts audits for milling operations and cane farming practices. Participating in sustainability-focused programs demonstrates FSC's commitment to fostering gender equality, promoting decent work practices, environmental sustainability, and effective partnerships.
- Fairtrade Sustainability Standards: In collaboration with Cane Producer Associations (CPAs) at all three mills, FSC promotes Fairtrade sustainability standards. This partnership helps ensure fair practices benefits for sugarcane producers as well as receiving additional premium from sugar sold as Fairtrade which is utilised for the development of sustainable projects for the benefit of sugar cane farmers and integrating stakeholders and communities.
- Empowerment of Women: FSC provides training programs and extension support to empower women in sugarcane cultivation. This initiative promotes gender equality and enhances the socio-economic status of women in the agricultural sector.
- Promotion of Local Communities: FSC encourages local communities, such as Land Owning Units (LOUs), to participate in cane farming through joint ventures and share farming agreements, particularly in Labasa. These initiatives support local economies and sustainable agricultural practices.
- Collaboration with Sugar Industry Stakeholders: FSC actively collaborates with stakeholders such as the Sugarcane Growers Council for farmer insurance, the Sugarcane Growers Fund for farmer financing and support, the Ministry of Sugar for grants and subsidies, and the Sugar Research Institute of Fiji for advanced sugarcane cultivation technologies. These collaborations ensure comprehensive support for farmers and the promotion of sustainable practices.
- Sustainable Employment Generation: FSC promotes sustainable employment in local communities by forming labour working groups for cultivation and harvesting activities. This initiative supports local employment and ensures a steady workforce for sustainable sugarcane farming.

FSC's initiatives align with SDG 5, SDG 8, Goal 13, and Goal 17 and demonstrate its commitment to fostering gender equality, promoting decent work practices, environmental sustainability, and effective partnerships. By prioritising fair employment practices, investing in employee development, ensuring a supportive work environment, and addressing climate action and collaborative development goals, FSC contributes to achieving global sustainability goals while driving socio-economic progress in

SALES & Marketing

production in key sugar-producing countries such as Brazil and India and good European beet harvest.

The No. 11 Sugar pricing trend for the past 12 months has been as follows:



Bulk Raw Sugar Export

A total of 104,880 tonnes of bulk raw sugar were exported during the year. The average export price for bulk sugar in the 2023 season was FOB US$647 per ton, slightly higher than the budgeted price of US$640 per ton, mainly due to positive movement in the price.

The following table summarises these exports:

Destination	Tonnage (MT)
EU	36,300
USA	13,760
EU	**34,820**
EU	20,000
Total	**104,880**

Direct Consumption Raw Sugar Sales to the Domestic Market and Pacific Island Countries

Sales Mix	Tonnage (MT)
Local-Retail Pack	16,512
Local 25 Kg	6,578
Total Local	**23,090**
Regional-Retail Pack	1,061
Regional 25 Kg	6,727
Total Regional	**7,788**
Total	**30,878**

Overall, there was an increase in both sales volume (7.92%) and revenue (10.2%) compared to the previous year, primarily fueled by heightened demand for the sugar in the regional market. The major markets for Fiji Sugar in the Pacific Island Countries are Samoa, Tonga, and New Zealand.

Molasses

Bulk Molasses Export

A total of 58,331 tonnes of molasses were exported during the year. The following table summarises these exports:

Destination	Tonnage (MT)
Spain	36,341
Philippines	21,990
Total	**58,331**

Domestic Molasses Sales

Domestic sales of molasses for the financial year totalled 5,080 MT. The major buyers were Paradise Beverages and Fiji Diary Corporation Limited.

Sugar Packaging Plant

The Packaging Plant packed 17,573 Metric Tonnes of sugar into retail packs of 1 kg, 2 kg, and 4 kg last financial year, with 16,512 Metric Tonnes sold in the domestic market and 1,061Metric Tonnes in the regional market. Other markets for retail packed sugar are Samoa, Tonga, and New Zealand. The demand for 1kg and 2kg retail packs is high in the Pacific Island Countries, while the demand for 4kg is high in the New Zealand market. A new state-of-the-art packing machine has been installed as part of a continuous improvement program to deliver high-quality products to customers.

Sugars of Fiji

Since the rebranding, Sugars of Fiji has been very well accepted in New Zealand. FSC is vigorously marketing and selling its retail packs in the Pacific region, with shipments being made to Samoa, Tonga, and Vanuatu.
FSC, in partnership with Investment Fiji, has engaged Pacific Trade Invest to increase its market share in the Pacific Island Countries.

Furthermore, FSC is collaborating with industry partners to sell our retail packs in the European and United States markets, where the demand for retail packs is high.

Bhan Pratap Singh
Chief Executive Officer

THE FIJI SUGAR CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

TABLE OF CONTENT

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of The Fiji Sugar Corporation Limited (the "Corporation") as at 31 May 2024 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows together with notes thereon for the year then ended and report as follows:

Directors

The following were Directors of the Corporation at any time during the financial year and up to the date of this report:

Mr Nitya Reddy - Chairman
Mr Athil Narayan
Mr Kaison Chang
Mr Paras Ram Reddy
Mr Maciusela N. Lumelume
Ratu Jone Mataove Qomate
Ms Akisi Vinaka
Mr Jawahar Lal (Appointed on 17th November 2023)
Mr Solomone Viticauravou Kepa Nata (Appointed on 5th April 2024)
Mr Prakash Chand (Retired in July 2023)
Mr Pradeep Lal (Resigned on 5th October 2023)

Principal Activities

The Corporation operated three sugar mills in the year under review and is involved in the milling of sugarcane, manufacture and sale of sugar and molasses produced. There were no significant changes in the nature of these activities during the financial year.

Results

The results of the Corporation are summarized below:

	2024	2023
	$'000	$'000
Profit/(Loss) from operations	2,508	(4,977)
Finance cost, net	(6,738)	(18,022)
Loss for the year	(4,230)	(22,999)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	24,965	17,872

Dividends

The Directors recommend that no dividends be declared for the year ended 31 May 2024.

Reserves

The Directors recommend that no transfer be made to or from reserves except for movements required under International Financial Reporting Standards (IFRS).

Bad and Doubtful Debts

Prior to the completion of the Corporation's financial statements, the Directors took reasonable steps to ascertain that action has been taken in relation to writing-off of bad debts and the making of allowance for doubtful debts. In the opinion of the Directors, adequate allowance has been made for doubtful debts. As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for doubtful debts in the Corporation's financial statements, inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

Non-Current Assets

Prior to the completion of the financial statements of the Corporation, the Directors took reasonable steps to ascertain whether any current or non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Corporation. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the Corporation's financial statements misleading.

Unusual Transactions

Other than matters disclosed under significant events , during the year, in the opinion of the Directors, the results of the operations of the Corporation during the financial year were not substantially affected by any other item, transaction or event of a material and unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Corporation in the current financial year.

Basis of Accounting – Going Concern

The financial statements have been prepared on a going concern basis on the assumption that the Corporation will continue to receive ongoing support from the Government of Fiji. On 15 July 2024, the Government Cabinet approved the write-off of the government debt owed by the Corporation to the Government totaling $200.2 million. This debt forgiveness by the Government is expected to significantly enhance the Corporation's liquidity and financial position.

Furthermore, the Corporation will pursue increasing the area under cane cultivation, improving productivity, revenue optimisation from large scale sugarcane plantations, cost cutting initiatives, sale of non-core assets, power generation income and better marketing of Sugars of Fiji for local and regional markets. Further, management plans to invest in refurbishing and upgrading the mills to continue to achieve improvements in mill efficiency and mill performance together with consistent, improved quantity and quality of cane supply and thereby generate adequate profits and cash flows from future operations to meet its obligations as and when they fall due.

The Directors believe that with the support of the Government, the Corporation will be able to continue in operation for at least 12 months from the date of this statement and the classification and carrying amounts of assets and liabilities as stated in these accounts are appropriate. Whilst the existing loans continue to be guaranteed by the Government until the loans are fully discharged, an additional Government guarantee of $95.0 million ($20 million approved on 23rd May 2024) has been approved by Parliament with expiry on 31 May 2028.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation be unable to continue as a going concern.

Significant Events During the Year

Significant events during the year were:

i) Impairment of Property, Plant and Equipment

For the year ended 31 May 2024, an impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard (IAS 36) Impairment of Assets. Based on the independent assessment, management and the Directors have carried out an assessment of the recoverable amount of the assets, trend of improvement in sugar cane quality, and assessed that no further provision for impairment is required.

DIRECTORS' REPORT (CONT'D)

Significant Events During the Year (Cont'd)

i) Impairment of Property, Plant and Equipment (Cont'd)

The assessed enterprise value of the Corporation's productive assets continues to exceed the carrying value of the Corporation's core operating assets. Notwithstanding this, no reversal of accumulated impairment losses will be considered until the Corporation's growth is consolidated.

ii) Government Guarantee

During the year, the Government of Fiji approved an additional government guarantee of $20.0 million on 23rd May 2024 to enable the Corporation to borrow $20.0 million from the Fiji Development Bank to partially fund the fourth Cane Payment for 2023 season.

iii) Temporary Overdraft Facility with HFC

The Corporation secured a temporary overdraft facility of $25.0 million from Home Finance Company Pte Limited (trading as HFC Bank) to fund the third cane payment for 2023 season. The borrowing was secured by a government guarantee.

iv) Term loan facility from Fiji Development Bank

FSC secured a term loan facility of $20.0 million from Fiji Development Bank on 23rd May 2024 to finance the fourth cane payment for 2023 season with the government guarantee as security.

v) Exim Bank of India Loan Restructure

Through diplomatic efforts, the EXIM Bank of India loan of US$32.7 million has been restructured to a five-year term loan, with ten equal semi-annual installments, and all accrued and future interest has been waived off. The Corporation will commence repayment of the loan from next financial year.

Events Subsequent to Balance Date

On 15 July 2024, the Government Cabinet approved the write-off of the Government debt amounting to $200.2 million owed by the Corporation to the Government of Fiji. This debt forgiveness by the Government is expected to significantly enhance the Corporation's liquidity and financial position. Management is currently assessing the full implications of the debt write-back on the Corporation's future financial position and performance. Necessary adjustments and /or further disclosures will be made in the financial statements for the year ending 31 May 2025.

Except for the above matter, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future financial years.

Other Circumstances

As at the date of this report:

i) no charge on the assets of the Corporation has been given since the end of the financial year to secure the liabilities of any other person;

ii) no contingent liabilities have arisen since the end of the financial year for which the Corporation could become liable; and

DIRECTORS' REPORT (CONT'D)

Other Circumstances (Cont'd)

iii) except for the contingent liabilities disclosed in the financial statements, no contingent liabilities or other liabilities of the Corporation has become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Corporation to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Corporation misleading or inappropriate.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit other than a benefit disclosed in the financial statements and/ or included in the aggregate number of emoluments received or due and receivable by Directors shown in the financial statements.

Auditor's Declaration

The Directors have obtained an independent declaration from the Corporation's auditor, BDO. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of The Fiji Sugar Corporation Limited on page 7.

For and on behalf of the Board and signed in accordance with a resolution of the Board of Directors.

Dated this 3 day of September 2024.

JayLal
Director

Director

DIRECTORS' DECLARATION

The declaration by Directors is required by the Companies Act 2015.

The Directors of the Corporation have made a resolution that declares:

a) In the opinion of the Directors, the financial statements of the Corporation for the financial year ended 31 May 2024:

   i. comply with the International Financial Reporting Standards (IFRS) and give a true and fair view of the financial position of the Corporation as at 31 May 2024 and of the performance and cash flows of the Corporation for the year ended 31 May 2024; and

   ii. have been prepared in accordance with the Companies Act 2015;

b) The Directors have received an independence declaration by the auditors as required by Section 395 of the Companies Act 2015; and

c) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board and in accordance with a resolution of the Board of Directors.

Dated this 3 day of September 2024.

JayLal

Director

Director

Tel: +679 666 2722
Fax: +679 666 4266
Email: info@bdofiji.com
Offices in Suva and Lautoka

BDO
Chartered Accountants
125 Vitogo Parade
PO Box 867
Lautoka, Fiji

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE FIJI SUGAR CORPORATION LIMITED

As auditor for the audit of The Fiji Sugar Corporation Limited for the financial year ended 31 May 2024, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Fiji Sugar Corporation Limited during the year.

Nalin Patel
Partner
Suva, Fiji

BDO
CHARTERED ACCOUNTANTS

3 September 2024

Tel: +679 666 2722
Fax: +679 666 4266
Email: info@bdofiji.com
Offices in Suva and Lautoka

BDO
Chartered Accountants
125 Vitogo Parade
PO Box 867
Lautoka, Fiji

To the Shareholders of The Fiji Sugar Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Fiji Sugar Corporation Limited ("the Corporation"), which comprise the statement of financial position as at 31 May 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 May 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation and in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Relating to Material Uncertainty Related to Going Concern

We draw attention to Note 2.1(a) in the financial statements, which refers to the preparation of the Corporation's financial statements on a going concern basis. As explained in Note 24, the Corporation incurred a net loss of $4.2 million during the year ended 31 May 2024, and as of that date, the Corporation's current liabilities exceeded its current assets by $162.7 million and it had contractual debt repayment commitments amounting to $156.1 million during the year ending 31 May 2025. Furthermore, as at 31 May 2024, total liabilities of the Corporation exceed total assets resulting in net liability of $404.3 million.

The appropriateness of the going concern assumption on which the financial statements are prepared is critically dependent on the Government's support to the Corporation, as disclosed in Note 24.

As stated in Note 24, these events or conditions, along with other matters explained in Notes 2.1(a), 24 and 25 indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The management and directors are responsible for the other information. The other information comprises of the information included in the directors' report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

To the Shareholders of The Fiji Sugar Corporation Limited (Cont'd)

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Companies Act, 2015 and for such internal control as the management and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the Shareholders of The Fiji Sugar Corporation Limited (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the management's and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of The Fiji Sugar Corporation Limited for the year ended 31 May 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 25 July 2023.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act, 2015 in all material respects, and;

a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) the Corporation has kept financial records sufficient to enable the financial statements to be prepared and audited.

BDO
CHARTERED ACCOUNTANTS

Nalin Patel
Partner
Suva, Fiji
3 September 2024

THE FIJI SUGAR CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2024

	Notes	2024	2023
		$'000	$'000
Revenue from export, sugar and molasses	7.1	166,720	159,311
Revenue from local, sugar and molasses	7.1	66,069	50,433
Revenue		**232,789**	**209,744**
Cost of sales	8.1	(219,657)	(202,298)
Gross profit		**13,132**	**7,446**
Other operating income	7.2	3,937	4,597
Administrative and other operating expenses	8.2	(14,561)	(17,020)
Profit / (loss) from operations		**2,508**	**(4,977)**
Finance costs	8.3	(6,754)	(18,033)
Finance income	8.4	16	11
Loss before income tax		**(4,230)**	**(22,999)**
Income tax expense	9(a)	-	-
Loss for the year		**(4,230)**	**(22,999)**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**(4,230)**	**(22,999)**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2024	2023
		$'000	$'000
Non-current assets			
Property, plant and equipment	10	104,127	116,388
Intangible assets	11	1,298	1,642
Right-of-use assets	12(a)	5,570	3,796
Inventories	14	1,735	1,854
		112,730	123,680
Current assets			
Current tax assets	9(b)	856	850
Investment in joint venture	13	40	40
Inventories	14	22,483	7,745
Trade and other receivables	15	8,992	8,476
Cash and cash equivalents	16	11,042	5,961
		43,413	23,072
Total assets		**156,143**	**146,752**
Equity and Liabilities			
Equity			
Share capital	17	22,200	22,200
Accumulated losses		(426,478)	(422,246)
Total equity deficit		(404,278)	(400,046)
Non-current liabilities			
Lease liabilities	12(b)	5,006	3,270
Interest-bearing loans and borrowings	18	287,543	294,261
Deferred income	19	61,534	50,463
Employee benefit liability	20	272	687
		354,355	348,681
Current liabilities			
Lease liabilities	12(b)	612	597
Interest-bearing loans and borrowings	18	156,144	147,258
Employee benefit liability	20	1,077	1,054
Provisions	21	3,712	3,712
Trade and other payables	22	44,521	45,496
		206,066	198,117
Total liabilities		560,421	546,798
Total equity and liabilities		**156,143**	**146,752**

The above statement of financial position should be read in conjunction with the accompanying notes.

THE FIJI SUGAR CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2024

	Note	2024	2023
		$'000	$'000
Accumulated losses			
Balance at the beginning of the year		(422,246)	(399,247)
Loss for the year		(4,230)	(22,999)
Balance at the end of the year		(426,476)	(422,246)
Share capital			
Balance at the beginning of the year		22,200	22,200
Balance at the end of the year	17	22,200	22,200
Total equity		**(404,276)**	**(400,046)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	2024 $'000	2023 $'000
Operating activities			
Receipts from customers and other operating activities		235,909	216,830
Payments to suppliers, employees and other operating activities		(248,205)	(180,801)
Cash from / (used in) operations		(12,296)	36,029
Interest paid		(6,373)	(12,076)
Interest income received		11	11
Lease finance costs	8.3	(381)	(305)
Net cash flows from / (used in) operating activities		**(19,039)**	**23,659**
Investing activities			
Purchase of property, plant and equipment		(10,049)	(6,944)
Proceeds from sale of property, plant and equipment		59	226
Purchase of intangible assets	11	(50)	(30)
Net cash flows used in investing activities		**(10,040)**	**(6,748)**
Financing activities			
Payment of principal portion of lease liabilities, net		(232)	(229)
Proceeds from loans and borrowings		20,000	50,000
Proceeds from deferred revenue - financing component	19(f)	821	20,315
Repayment of borrowings		(16,849)	(60,033)
Net cash flows from financing activities		**3,740**	**10,053**
Net increase/(decrease) in cash and cash equivalents		(25,339)	26,964
Cash and cash equivalents at the beginning of the year		(23,833)	(50,797)
Cash and cash equivalents held at the end of the year	16	**(49,172)**	**(23,833)**

The above statement of statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. GENERAL INFORMATION

a) Corporate Information

The financial statements of The Fiji Sugar Corporation Limited (the "Corporation") for the year ended 31 May 2024 were authorised for issue in accordance with a resolution of the Directors on 3 September 2024. The Corporation is a limited liability company incorporated and domiciled in Fiji. The address of its registered office and principal place of business is at Drasa Avenue, Balawa, Lautoka.

b) Principal activities

The Corporation is principally operating three sugar mills in the year under review and is involved in the milling of sugarcane, manufacture and sale of sugar and molasses produced. There were no significant changes in the nature of these activities during the financial year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements of the Corporation have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Fijian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 3.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

a) Basis of accounting - going concern

The financial statements have been prepared on a going concern basis on the assumption that the Corporation will continue to receive ongoing support from the Government of Fiji. On 15 July 2024, the Government Cabinet approved the write-off of the government debt owed by the Corporation to the Government totaling $200.2 million. This debt forgiveness by the Government is expected to significantly enhance the Corporation's liquidity and financial position.

Whilst the existing loans continue to be guaranteed by the Government until the loans are fully discharged, an additional Government guarantee of $95.0 million ($20 million approved during this year) has been approved by Parliament with expiry on 31 May 2028.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of accounting – going concern (Cont'd)

Furthermore, the Corporation continue to pursue increasing the area under cane cultivation, improving productivity, revenue optimization from large scale sugarcane plantations, cost cutting initiatives, sale of non-core assets, power generation income and better marketing of Sugars of Fiji for local and regional markets. Further, management plans to invest in refurbishing and upgrading the mills to continue to achieve improvements in mill efficiency and mill performance together with consistent, improved quantity and quality of cane supply and thereby generate adequate profits and cash flows from future operations to meet its obligations as and when they fall due.

The Directors believe that with the support of the Government, the Corporation will be able to continue in operation for at least 12 months from the date of authorization of financial statements and the classification and carrying amounts of assets and liabilities as stated in these accounts are appropriate.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation be unable to continue as a going concern.

2.2 Summary of Significant Accounting Policies

a) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Corporation's investment in joint venture is accounted for using the equity method. Information on investment in joint ventures is provided in Note 13.

b) Revenue recognition

The Corporation is in the business of harvesting and processing of sugarcane into sugar and molasses as well as sale of power. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those goods. The Corporation has generally concluded that it is the principal in its revenue arrangements. For revenue where contract with customers exists, revenue is recognised as follows:

Sale of sugar and molasses

Revenue from sale of sugar and molasses is recognised at the point in time when control of the goods is transferred to the customer. For export sales, generally revenue is recognised when sugar and molasses are loaded on board of a vessel designated for delivery, being Bill of Lading (BOL) date in line with the "Free on Board". The normal credit term is 30 to 90 days upon delivery.

Sale of electricity

Revenue from sale of electricity is recognised over time by measuring the progress toward complete satisfaction of its performance obligation to deliver electricity. The normal credit term is 30 to 90 days upon delivery.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Revenue recognition (Cont'd)

Sale of electricity (Cont'd)

The Corporation considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of sugar, the Corporation considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

c) Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

The benefit of a Government loan at a below-market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Other Government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognized in profit or loss in the period in which they become receivable.

d) Taxes

(i) Income Tax

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Taxes (Cont'd)

Deferred tax (Cont'd)

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the eligible tax losses can be utilised.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Information on recognition of deferred tax assets and liabilities is provided in Note 9.

(ii) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except:

i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as operating cash flows.

e) Foreign currencies

Functional and presentation currency

The Corporation operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the Corporation's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Foreign exchange forward contracts outstanding as at the year-end are stated at fair values and any gains or losses are recognised in the statement of profit or loss and other comprehensive income.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Non-current assets held for sale and discontinued operations

The Corporation classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

g) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised.

All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Cost of leasehold land includes initial premium payment or price paid to acquire leasehold land including acquisition costs.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Leasehold land (included in Right-of-use) - Term of lease
- Buildings and improvements - 2% to 10%
- Plant, machinery and equipment - 3% to 25%
- Vehicles and transport systems - 5% and 20%
- ERP system - 10%

New assets are depreciated from the commencement of the year in which they are commissioned. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Property, plant and equipment (Cont'd)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.

Capital works in progress principally relates to costs and expenses incurred for capital works in the nature of property, plant and equipment. Capital work in progress is stated at historical cost and is not depreciated.

Interest and other incidental costs on borrowings to finance the construction of property, plant and equipment are capitalized, during the period of time that is required to complete and prepare the asset for its intended use.

Costs incurred for capital work in progress are capitalized and are assessed by management and Directors on a periodic basis for its viability and successful implementation. The capitalized cost is written-off if the project development is abandoned permanently.

Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Corporation. Major renovations are depreciated over the remaining useful life of the related asset.

h) Leases

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Corporation as a lessee

The Corporation applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Corporation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Corporation recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land - 99 years

If ownership of the leased asset transfers to the Corporation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Right-of-use assets (Cont'd)

Lease liabilities

At the commencement date of the lease, the Corporation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Corporation and payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Corporation uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low value assets

The Corporation applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Corporation as a lessor

Leases in which the Corporation does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are capitalized as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Intangible assets (Cont'd)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

l) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Corporation commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial instruments - initial recognition and subsequent measurement (Cont'd)

Financial assets at amortised cost (debt instruments) (Cont'd)

The Corporation's financial assets at amortised cost includes trade receivables, loan to an associate and loan to a Director included under other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Corporation measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and other comprehensive income computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Corporation can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss other comprehensive income when the right of payment has been established, except when the Corporation benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

i) Financial instruments – initial recognition and measurement

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial instruments - initial recognition and subsequent measurement (Cont'd)

ii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Corporation of similar financial assets) is primarily derecognised (i.e., removed from the Corporation's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iii) Impairment of financial assets

The Corporation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Corporation's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Corporation has not designated any financial liability as at fair value through profit or loss.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial instruments - initial recognition and subsequent measurement (Cont'd)

ii) Subsequent measurement (Cont'd)

- *Financial liabilities at amortised cost (loans and borrowings)*

This is the category most relevant to the Corporation. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 18.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Inventories

Sugar and molasses are valued at lower of cost and net realisable value. Net realisable value is determined by approved selling prices, contracts or free market prices and is net of expected related marketing, selling and distribution costs.

Spares are stated at cost. Costs are assigned to spares using the weighted average basis and comprise all costs incurred in bringing the stocks to their present location and condition. Allowances for spare parts inventory obsolescence are raised based on a review of inventories, and aging of inventories. Inventories considered obsolete or un-serviceable are written off or brought down to their estimated fair value in the year in which they are identified.

n) Impairment of non-financial assets

At each balance date, the Corporation reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

o) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are stated net of bank overdraft. Bank overdrafts are shown within interest bearing borrowing in current liabilities in the statement of financial position.

p) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that a specific debtor balance is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within administration and operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income.

q) Payables and accruals

Trade payables and other accounts payable are recognised when the Corporation becomes obliged to make future payments resulting from the purchase of goods and services.

r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Employee benefits

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

Annual leave and sick leave

The liability for annual leave and sick leave are recognized in the provision for employee benefits. These benefits are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

The Corporation recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made for redundancy. Benefits falling due more than 12 months after the statement of financial position date are disclosed at the present value.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

t) Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the Corporation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Corporation's exposure to risks and uncertainties includes:

• Financial instruments risk management and policies	Note 5
• Sensitivity analysis disclosures	Note 5
• Capital management	Note 6

a) Judgements

In the process of applying the Corporation's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Corporation as lessee

The Corporation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

i) Impairment of property, plant and equipment

The Corporation assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, reasonable allowance for impairment are created.

For the year ended 31 May 2024, an impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". The recoverable amount of the relevant assets has been determined on the basis of their value in use. The value in use has been determined based on discounted cash flow assessment covering 10 years from 2025 to 2034 based on a scenario with cane volumes of 1.42 million tonnes for 2025 and increasing to 2.0 million tonnes by 2028 and 2.3 million tonnes by 2034. The discount rate of 10.0% has been used in measuring value in use. In making financial forecasts, executive management has relied on technical experts wherever deemed appropriate, including the areas of engineering and marketing aspects of operations.

Based on the independent assessment, management and Directors have carried out an assessment of the recoverable amount of the assets, taking into consideration relevant factors and have assessed that no further provision for impairment is required.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS (CONT'D)

b) Estimates and assumptions (Cont'd)

i) Impairment of property, plant and equipment (Cont'd)

Whilst the future cash flow is dependent on key variables and some of the critical variables such as sugar price, exchange rate, cane volumes and POCS (pure obtainable cane sugar) ratio, these are outside the control of the Corporation. Furthermore, variables such as mill uptime (including its impact on TCTS), crushing rate, level of operating costs and mill stoppages are critically dependent on the performance and efficiency of the mill.

Executive management and Directors' assessment of cash flow forecast involves making a judgment, at the particular point in time, about inherently uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

ii) Depreciation of property, plant and equipment

In relation to acquired property, plant and equipment, the executive management apply judgment to determine the depreciation period based on the expected useful lives of the respective assets. Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated.

The executive management's assessment of useful lives or recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

iii) Allowances for stock obsolescence

Allowances for stock obsolescence is assessed and raised on a specific and collective basis based on a review of inventories, including the status of inventories by the engineering team of the Corporation. Inventories considered obsolete or un-serviceable are written off in the year in which they are identified.

iv) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level, all debtors outstanding for more than three months (excluding those covered by a specific impairment provision) are considered to have been impaired and provisions are made based on assessment of individual accounts.

v) Deferred tax assets

Deferred tax assets are recognized for all unused tax losses and benefits arising from temporary differences to the extent that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely and level of future taxable profits together with future planning strategies. The deferred tax asset relating to tax losses and temporary differences have not been brought to account as in the opinion of the executive management its realization is not considered to be probable. Further details are contained in Note 9(d).

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS (CONT'D)

b) Estimates and assumptions (Cont'd)

vi) Deferred tax liabilities

Deferred tax liability is recognized on taxable temporary differences and is measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled. The management's decision in recoding its deferred tax liability requires significant judgment and estimates of future tax rates and future tax payables. The deferred tax liability has not been recognized in view of significant unrecognized deferred tax assets relating to tax losses and other temporary differences which is expected to be available as deduction against realization of temporary differences giving rise to tax liability. Subsequent events may result in outcomes that may be different from the judgments and estimates applied. Further details are contained in Note 9(c).

vii) Leases – Estimating the incremental borrowing rate

The Corporation cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Corporation would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Corporation 'would have to pay', which requires estimation when no observable rates are available. The Corporation estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

NOTE 4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. The Corporation intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards, interpretations and amendments effective during the year

The following amendments are effective for the period beginning on or after 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Corporation has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2024:

- Liability in a Sale and Leaseback (Amendment to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements);

NOTE 4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

New standards, interpretations and amendments not yet effective (Cont'd)

- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).
- IFRS S1 - General requirements for disclosure of sustainability-related financial information.
- IFRS S2 - Climate-related disclosures

The following amendments are effective for the period beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Corporation is currently assessing the impact of these new accounting standards and amendments and the Corporation does not expect any of the standards issued by the IASB, but not yet effective, to have a material impact on the Corporation.

NOTE 5. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units. The Board of Directors provides policies and guidelines for overall risk management, as well as policies and guidance covering specific areas, such as mitigating interest rate risk, credit risk and investment of excess liquidity.

i) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

ii) Foreign exchange risk

The Corporation undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within policy parameters.

The carrying amount of the Corporation's foreign currency denominated significant monetary assets and liabilities at the end of reporting period are as follows:

	2024 $'000	2023 $'000
Liabilities		
US Dollar	75,497	98,635
Assets		
US Dollar	676	2,227

NOTE 5. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

ii) Foreign exchange risk (Cont'd)

Foreign currency sensitivity analysis

The Corporation is mainly exposed to the currency of USA.

The following table details the Corporation's sensitivity to a 10% increase and decrease in Fiji dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key executive management personnel and represents executive management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the FJD strengthen/weaken by 10% against the USD with all other variables held constant, pre- tax profit impact is as follows:

	Change in USD rate	Effect on profit before tax
		$'000
2024	+10%	6,802
	-10%	(8,313)
2023	+10%	8,432
	-10%	(10,712)

iii) Price and volume risk

The Corporation is exposed to world sugar price for bulk sugar exports. The Corporation is also exposed to world molasses price for molasses exports.

From 1 October 2009, Fiji's quota access to the EU was governed by a new regional Economic Partnership Agreement. With effect from 1 October 2017, Fiji enjoys a continuation of market access on quota free and duty-free terms, with pricing linked to prevailing market prices in the EU, which in turn is driven by world sugar prices. The exposure of Fiji to world sugar price dynamics has thus increased from 1 October 2017.

Alternative export markets are available to Fiji which potentially provide superior pricing to EU destinations as a result of freight premiums arising from Fiji's geographic proximity to these markets.

The Corporation does not have investments in equity securities quoted on the stock exchange and hence is not exposed to equity securities price risk.

Cash flow and fair value interest rate risk

The Corporation has significant interest-bearing borrowings denominated in foreign currency from Export Import Bank of India (EXIM). The interest accrued and future interest in respect of Exim bank loan have been waived off. Therefore, Exim bank borrowings are not exposed to interest rate risk. In prior year, borrowings from Czarnikow Group Limited were not exposed to interest rate risk during the borrowing term as funds are borrowed at fixed interest rates.

In relation to borrowings from Government of Fiji, Sugar Cane Growers Fund, Reserve Bank of Fiji, Fiji National Provident Fund, Fiji Development Bank and Bred Bank, the Corporation is not exposed to interest rate risk during borrowing term as it borrows funds at fixed interest rates. However, the Corporation is exposed to market interest at the time of the rollover of borrowings or refinancing of borrowings. The interest rate risks and exposures are being closely monitored by the Executive Management of the Corporation and the Directors.

NOTE 5. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Regulatory risk

The Corporation's profitability can be significantly impacted by sugarcane industry regulatory environment, regulatory agencies established which governs the Sugarcane Industry in Fiji and the ongoing and proposed reforms in the Fiji Sugarcane Industry.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation. Price of sugar in Fiji market is subject to price controls regulated by Fijian Competition & Consumer Commission.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to wholesale and retail customers, including outstanding receivables. For banks, only reputable parties with known sound financial standing are accepted. The credit risks arising on account of receivables is moderate as the arrangement for the sugar and molasses sales to the EU and other ACP States are under long term agreement and protocol.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure availability of funding. The Corporation monitors liquidity through rolling forecasts of the Corporation's cash flow position.

The table below analyses the Corporation's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Year ended 31 May 2024	**Less than 1 year**	**1 - 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Interest-bearing loans and borrowings:				
Short term borrowings	92,263	-	-	92,263
Long term loans and bonds	-	132,010	199,164	331,174
Export Import Bank of India	15,099	60,398	-	75,497
Lease liabilities	612	2,203	2,803	5,618
Trade and other payables	44,521	-	-	44,521
	152,495	**194,611**	**201,967**	**549,073**
Interest-bearing loans and borrowings:				
Short term borrowings	71,550	-	-	71,550
Long term loans and bonds	-	138,976	155,285	294,261
Export Import Bank of India	75,708	-	-	75,708
Lease liabilities	597	1,262	2,008	3,867
Trade and other payables	45,496	-	-	45,496
	193,351	**140,238**	**157,293**	**490,882**

NOTE 5. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Cane supply risk

The Corporation's profitability is largely dependent on the cane supply by growers. The cane supply and the gross profit/(loss) of the Corporation is shown below:

Year	Cane supply for the year (000t)	Gross profit/(loss) for the year ($m)
2023 – Actual	1,638	7.45
2024 – Actual	1,566	13.13
2025 – Budgeted	1,420	(2.60)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Corporation cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Corporation is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.

NOTE 6. CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to target to achieve and maintain an optimal capital structure to reduce the cost of capital.

The Corporation monitors capital on the basis of the desired target gearing ratio and required funding and liquidity. Target gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents and term deposits. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Corporation has capital deficit of $404.3m as at balance date and the Corporation is relying on the ongoing Government funding and other support.

Fair value estimation

The carrying value less allowance for doubtful debts of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities are estimated to approximate their fair values.

NOTE 7. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Corporation's revenue from contracts with customers:

7.1. Revenue from sugar and molasses sale contract with customers

	2024 $'000	2023 $'000
Sale of sugar and molasses – Export	166,720	159,311
Sale of sugar and molasses – Local	66,069	50,433
	232,789	209,744
Timing of revenue recognition:		
- Goods transferred at a point in time	232,789	209,744

7.2 Other operating income

	2024 $'000	2023 $'000
Sale of electricity	3,048	3,621
Gain on disposal of property, plant and equipment	59	185
Amortisation of government grants	768	791
Unrealised exchange gain, net	62	-
Total other operating income	3,937	4,597

NOTE 8. COST OF SALE AND EXPENSES

8.1 Cost of sales

	2024 $'000	2023 $'000
Depreciation (Note 10)		
- Leasehold land, buildings and improvements	1,662	1,669
- Plant, machinery and equipment	17,874	17,678
- Vehicles and transport system	2,318	2,849
Amortisation of intangible assets (Note 11)	394	384
Depreciation on right-of-use assets (Note 12(a))	209	269
Employee costs	21,538	20,586
Factory related cost	12,130	16,624
Purchase of cane recognised as an expense	163,532	142,239
Total cost of sales	**219,657**	**202,298**

8.2 Administrative and other operating expenses

	2024 $'000	2023 $'000
Auditor's remuneration – audit fees	65	56
Internal audit fees	-	30
Other financial services	25	11
Directors' fees and allowance	72	24
Employee costs	3,974	3,632
Insurance	3,283	3,217
Unrealised exchange loss	-	2,706
Realised exchange loss	487	713
Other operating expenses	6,655	6,631
Total administrative and other operating expenses	**14,561**	**17,020**

NOTE 8. COST OF SALE AND EXPENSES (CONT'D)

	2024 $'000	2023 $'000
8.3 Finance costs		
Interest on debts and borrowings	6,373	17,728
Interest on lease liabilities	381	305
Total finance costs	**6,754**	**18,033**
8.4 Finance Income		
Interest income	16	11
Total finance income	**16**	**11**
8.5 Employee benefits expense		
Wages and salaries	27,514	25,606
FNPF contribution	2,186	1,498
	29,700	27,104
Less: staff costs for capital works	(323)	(434)
	29,377	26,670
Provision for employee benefits, net movement	(392)	(113)
Total employee benefits expense	**28,985**	**26,557**

NOTE 9. INCOME TAX

The major components of income tax expense for the years ended 31 May 2024 and 2023 are:

a) Profit or loss

	2024	2023
Accounting loss before income tax	(4,230)	(22,999)
Prima facie tax thereon at the Fiji rate of 25% (2023: 20%)	(1,058)	(4,600)
Non-deductible expenses for tax purposes	12	12
Amortisation of government grant	(192)	(148)
Current year tax losses not recognised	1,238	4,760
Income tax expense attributable for the year	**-**	**-**

b) Current tax asset

Movements during the year were as follows:

	2024	2023
Opening balance at 1 June	850	850
Movement during the year	6	-
Closing balance at 31 May	**856**	**850**

c) Deferred tax liability

Deferred tax liability of the Corporation amounting to $12.0 million (2023: $9.2 million) has not been recognized in view of significant unrecognized deferred tax assets relating to tax losses and other temporary differences which will be available as deduction against realization of temporary differences giving rise to tax liability.

NOTE 9. INCOME TAX (CONT'D)

d) Deferred tax assets not recognized

In accordance with the provisions of the Income Tax Act, tax losses are allowed to be carried forward for 8 years from 1 January 2020 (4 years prior to 1 January 2020).

The deferred tax assets of the Corporation relating to estimated tax losses and temporary differences amounting to approximately $51.38million (2023: $22.8 million) have not been brought to account as its realization is not considered to be probable. The deferred tax asset will only be realized if:

i) the Corporation derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realized

ii) the Corporation continues to comply with the conditions for deductibility imposed by tax legislation

iii) no changes in the tax legislation adversely affect the Corporation in realizing the benefit from the deductions for the loss.

The current corporate income tax rate of 20% has increased to 25% from the financial year ended 31 May 2024 in accordance with Income Tax (Rates of Tax and Levies) (Amendment) Regulations 2023. At this stage, based on the current financial forecasts, it appears that substantial part of the unrecognized deferred tax assets will not be realized.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings and improvements	Plant, machinery and equipment	Vehicles and transport system	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 May 2024							
Cost	16,835	876	72,200	477,770	57,929	6,941	632,551
Accumulated depreciation	-	(142)	(38,927)	(366,290)	(44,680)	-	(450,039)
Accumulated impairment	-	-	(16,214)	(59,322)	(2,849)	-	(78,385)
At 31 May 2024	**16,835**	**734**	**17,059**	**52,158**	**10,400**	**6,941**	**104,127**
Movement:							
At 1 June 2023	16,835	641	18,378	64,144	12,397	3,992	116,387
Additions	-	-	-	-	-	9,450	9,450
Disposals	-	-	(1)	(7)	(1)	-	(9)
Depreciation	-	(19)	(1,642)	(17,874)	(2,318)	-	(21,853)
Adjustments	-	-	-	146	6	-	152
Transfer from CWIP	-	112	324	5,749	316	(6,501)	-
At 31 May 2024	**16,835**	**734**	**17,059**	**52,158**	**10,400**	**6,941**	**104,127**
31 May 2023							
Cost	16,835	764	69,641	460,165	58,284	3,992	609,681
Accumulated depreciation	-	(123)	(35,048)	(336,698)	(43,037)	-	(414,906)
Accumulated impairment	-	-	(16,214)	(59,323)	(2,850)	-	(78,387)
At 31 May 2023	**16,835**	**641**	**18,379**	**64,144**	**12,397**	**3,992**	**116,388**
Movement:							
At 1 June 2022	16,835	415	19,390	74,371	14,821	4,679	130,511
Additions	-	-	-	-	-	6,945	6,945
Disposals	-	-	(7)	(155)	(38)	-	(200)
Depreciation	-	(12)	(1,657)	(17,678)	(2,849)	-	(22,196)
Adjustments	-	-	2	1,279	47	-	1,328
Transfer from CWIP	-	238	651	6,327	416	(7,632)	-
At 31 May 2023	**16,835**	**641**	**18,379**	**64,144**	**12,397**	**3,992**	**116,388**

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

a) Impairment assessment

During year ended 31 May 2010, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. Based on the independent assessment, the management had carried out an assessment of the value in use of property, plant and equipment, and had recognized impairment loss amounting to $173.4 million and allocated on a pro-rata basis to buildings and improvements, plant, machinery and equipment, vehicles and transport systems in the financial year ended 2010.

During the years ended 31 May 2012, 31 May 2013 and 31 May 2014 based on independent impairment assessment report, management recognized reversal of impairment loss amounting to $40 million, $45.5 million and $35 million, respectively. The reversal of impairment and impairment loss were allocated on a pro-rata basis to buildings and improvements, plant, machinery and equipment, vehicles and transport systems. Due to improvement in mill efficiency and TCTS ratio together with expected improvement in quality and quantity of cane supply, the expected recoverable amount and thereby the carrying value of property, plant and equipment was assessed to have been improved in those years.

During the year ended 31 May 2015, based on the independent assessment, management and Directors assessed that no further provision for impairment is required.

However, for the year ended 31 May 2016, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". The recoverable amount of the relevant assets has been determined on the basis of their value in use (Refer Note 3(b) (i)). Due to fall in mill efficiency and TCTS ratio together with reduction in quality and quantity of cane supply, the expected recoverable amount and thereby the carrying value of property, plant and equipment was assessed to have reduced. Accordingly, executive management and Directors had assessed that additional provision of $24 million for impairment was required. Between 31 May 2017 to 31 May 2023, no further provision for impairment was required.

Based on the independent assessment, management and Directors have carried out an assessment of the recoverable amount of the assets taking into consideration relevant factors, and have assessed that no further provision for impairment is required for the year ended 31 May 2024.

The Corporation has further carried out sensitivity analysis of assessment of recoverable amount as at 31 May 2024 with the following assumptions:

- Terminal growth rate - ± 0.5%
- Cane production - ± 2%
- Exchange rate - ± 0.5%
- Expenditure - ± 2%
- World market price - ± 2%

Refer Note 3(b) (i) in relation to significant accounting judgements, estimates and assumptions in relation to impairment of property, plant and equipment.

b) Revaluation of Land and Buildings as Deemed Cost

In prior years, land and buildings were revalued based on the valuation carried out by independent registered valuers, Rolle Hillier Parker of Suva, Fiji in July 2002. Upon adoption of IFRS (effectively from, 1 June 2006), the Corporation had elected the option provided under IFRS 1 to apply the cost model (deemed cost) for land and buildings previously revalued, and accordingly, the cost value of land and buildings include revaluation increments amounting to $66,884,324.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

c) Insurance

The Corporation has obtained insurance cover on various property, plant and equipment (but excluding railway network) subject to various terms and conditions and exclusions. The current insurance cover expired on 31 May 2024. The Corporation is in the process of renewing the insurance cover for property, plant, and equipment for the year ending May 2025 as of the date of authorization of the financial statements.

d) Plant, machinery and equipment

Certain plant, machinery and equipment are subject to security (including Bill of Sale) to Fiji Development Bank (Note 18(f)).

e) Capital work in progress

Included in property, plant and equipment at 31 May 2024 was an amount of $6.9 million (2023: $3.9 million) relating to expenditure on mill under construction.

NOTE 11. INTANGIBLE ASSETS

	2024	2023
	$'000	$'000
Software costs		
Opening balance at 1 June	1,642	1,996
Additions	50	30
Amortisation for the year	(394)	(384)
Closing balance at 31 May	**1,298**	**1,642**

Definite lives

Definite life intangible assets are accounted for at cost. Assets acquired in a business acquisition are recognised initially at fair value at the date of acquisition which is subsequently deemed to be cost. Following initial recognition, intangible assets are amortised on a straight-line basis over their estimated useful lives and tested for impairment when there is any indication of impairment. Useful life details for these assets are as follows:

Software costs and other assets	3 to 10 years

Any gain or loss arising on derecognition of an asset (calculated by comparing the proceeds with the carrying amount) is included in the income statement in that financial year.

NOTE 12. LEASES

a) Right of use assets (ROU)

The Corporation currently holds number of leasehold and rental property leases. Lease terms vary in length and generally, when approaching expiry, are either extended at the option of the Corporation or are renegotiated.

	2024	2023
	$'000	$'000
Cost	5,060	4,011
Other adjustments	-	212
Accumulated depreciation	(1,473)	(1,264)
Additions	1,711	585
Disposal	-	(82)
Remeasurement during the year	272	334
	5,570	**3,796**
Movement:		
Opening balance	3,796	3,228
Depreciation charge for the year	(209)	(269)
Additions for the year	1,711	585
Disposals for the year	-	(82)
Remeasurement during the year	272	334
At 31 May	**5,570**	**3,796**

The above represent assets under lease contracts which have been realizable as an asset in accordance with IFRS 16. The assets are written down over the terms of their contracts.

b) Lease liabilities

The Corporation currently holds number of leasehold and rental property leases. Lease terms vary in length and generally, when approaching expiry, are either extended at the option of the Corporation or are renegotiated.

	2024	2023
Movement:		
Opening balance	3,867	3,444
Additions during the year	1,711	585
Disposals during the year	-	(267)
Interest	381	305
Repayments	(613)	(534)
Remeasurement during the year	272	334
At 31 May	**5,618**	**3,867**
This is disclosed as:		
Current liabilities	612	597
Non-current liabilities	5,006	3,270
At 31 May	**5,618**	**3,867**

c) Short term, low value and variable leases

As allowed by the Standard, there is no change to the recognition and measurement of short-term, low asset value and variable leases. Short term leases are those with terms equal to or less than 12 months and low asset value leases. The Corporation has established that there is no short term and low value leases.

NOTE 13. INVESTMENT IN A JOINT VENTURE

Interest in a joint venture – Nagigi Farms

	Interest (%)	2024 $'000	2023 $'000
Unincorporated joint venture			
Nagigi Farms – Capital contribution	50%	40	40

The Nagigi Farms Joint Venture is an unincorporated joint venture established between Tsunami Farms Limited and the Corporation under the Nagigi Farms Joint Venture Agreement dated 1 May 2013 (the Joint Venture Agreement). The principal activities of the joint venture are that of performing commercial sugar cane farming at Nagigi, Labasa, Fiji.

Since the Joint Venture is incurring losses, the investment is stated at cost.

NOTE 14. INVENTORIES

	2024	2023
Non-current		
Capital spare parts and spare gears – at cost	6,870	6,989
Allowance for inventory obsolescence	(5,135)	(5,135)
Total non-current inventories	**1,735**	**1,854**
Current		
Maintenance spares and consumables – at cost	3,348	2,777
Allowance for inventory obsolescence	(962)	(962)
	2,386	1,815
Sugar and molasses – at net realizable value	20,097	5,930
Total current inventories	**22,483**	**7,745**
Total inventories at the lower of cost and net realizable value	**24,218**	**9,599**

NOTE 15. TRADE AND OTHER RECEIVABLES

	2024	2023
Current		
Receivable from third-party customers	1,037	560
Receivable from joint venture	296	296
VAT receivable	3,316	3,606
Other receivables	410	421
	5,059	4,883
Allowance for expected credit losses	(1,995)	(1,995)
	3,064	2,888
Prepayments and deposits	5,928	5,588
	8,992	8,476

NOTE 15. TRADE AND OTHER RECEIVABLES (CONT'D)

The carrying value of trade and other receivables and receivables from related parties are considered to be their reasonable approximation of their fair values. Movements on the allowance for expected credit losses of trade and other receivables are as follows:

	2024	2023
	$'000	$'000
As at 1 June	1,995	1,659
Allowance for expected credit loss	-	336
Write-off	-	-
At 31 May	**1,995**	**1,995**

Trade receivables principally comprise amounts outstanding for sale of sugar and molasses. Trade receivables are non-interest bearing and are generally settled on 30 – 60-day term.

NOTE 16. CASH AND CASH EQUIVALENTS

Cash at banks and on hand	11,042	5,961
	11,042	5,961

Cash at banks earns interest at floating rates based on daily bank deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances at 31 May:

Cash at banks and on hand	11,042	5,961
Bank overdrafts (Note 18 (I))	(60,214)	(29,794)
	(49,172)	(23,833)

NOTE 17. SHARE CAPITAL

Paid up capital		
44,399,998 ordinary shares	22,200	22,200
	22,200	22,200

NOTE 18. INTEREST-BEARING LOANS AND BORROWINGS

	Notes	2024 $'000	2023 $'000
Non-current			
Exim Import Bank of India	a(i)	50,866	-
Exim Import Bank of India	a(ii)	2,060	-
Sugar Cane Growers Fund	b	3,565	4,291
Reserve Bank of Fiji	c(i)	-	7,000
Reserve Bank of Fiji	c(ii)	5,000	5,000
Fiji National Provident Fund	d	35,610	37,856
Government of Fiji	e(i)	135,398	139,743
Government of Fiji	e(ii)	15,965	16,079
Fiji Development Bank	f(i)	5,464	7,456
Fiji Development Bank	f(ii)	1,370	2,837
Fiji Development Bank	f(iii)	1,512	3,262
Fiji Development Bank	f(iv)	4,257	5,737
Fiji Development Bank	f(v)	16,476	-
Bank of South Pacific	h	-	50,000
Bred Bank	g	10,000	15,000
Non-current interest-bearing loans and borrowings		**287,543**	**294,261**
Current			
Bank overdraft – HFC Operating Account	(i)	60,214	29,794
Exim Import Bank of India	a(i)	11,103	72,761
Exim Import Bank of India	a(ii)	450	2,947
Sugar Cane Growers Fund	b	824	880
Reserve Bank of Fiji	c(i)	7,000	-
Fiji National Provident Fund	d	5,239	6,141
Government of Fiji	e(i)	4,345	-
Government of Fiji Loan	e(ii)	114	-
Fiji Development Bank	f(i)	2,382	2,940
Fiji Development Bank	f(ii)	1,757	1,920
Fiji Development Bank	f(iii)	1,938	2,040
Fiji Development Bank	f(iv)	2,088	2,520
Fiji Development Bank	f(v)	3,690	-
Bred Bank	g	5,000	5,000
BSP	h	50,000	-
Czarnikow Group Limited		-	20,315
Current interest-bearing loans and borrowings		**156,144**	**147,258**
Total interest-bearing loans and borrowings		**443,687**	**441,519**

Particulars relating to borrowings:

a) *Export Import Bank of India - Loan*

i) The Corporation entered into a contract with the Export Import Bank of India on 7 November 2005 by way of Dollar Line of Credit of US$50.4 million for the upgrade of its sugar mills. The loan is secured by the Government guarantee and the principal amount is repayable in ten six monthly installments over a period of five years from FY 2025 due to the restructure of loan which has been agreed upon. The interest payable on this loan has been waived off at the point of restructuring.

NOTE 18. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

a) *Export Import Bank of India – Loan (Cont'd)*

	2024 $'000	2023 $'000
Loans from Exim bank	72,558	72,761
Less: Deferred grant income on interest (Note 19)(e)	(10,589)	-
	61,969	72,761
Less: Current liability	(11,103)	(72,761)
Non-current liability	50,866	-

ii) The Corporation entered into a contract with the Export Import Bank of India on 4 February 2015 by way of Dollar Line of Credit of US$5.38 million for the upgrade of its sugar mills. The loan is secured by the Government guarantee and the principal amount is repayable in ten six monthly installments over a period of five years from FY 2025 due to the restructure of the loan which has been agreed upon. The interest payable on this loan has been waived off at the point of restructuring.

	2024	2023
Loans from Exim bank	2,939	2,947
Less: Deferred grant income on interest (Note 19)(e)	(429)	-
	2,510	2,947
Less: Current liability	(450)	(2,947)
Non-current Liability	2,060	-

b) *Sugar Cane Growers Fund (SCGF) - Loan*

Loan to be repaid with 2 equal annual repayment of $440,430 for 10 years. Also, the proceeds from Drasa and Waqadra Estate has been assigned to SCGF to meet loan repayments.

c) *Reserve Bank of Fiji (RBF) - Loan*

i) Flood Rehabilitation Fund

The Corporation had borrowed $7 million from RBF in 2012 to finance rehabilitation work undertaken due to severe flooding in the western division of the island of Viti Levu, Fiji. On FSC's request, the maturity was extended till 31st May 2025.

ii) Natural Disaster Rehabilitation Fund

The Corporation has borrowed $5 million from RBF to finance rehabilitation work on the rail system due to significant damages sustained from Tropical Cyclone Winston which affected the country in February 2016. At the request of FSC in June 2022, the maturity has been extended till 4th August 2027.

d) *Fiji National Provident Fund*

i) Term Loan

The Corporation secured loan of $50 million from FNPF to meet its working capital and capital expenditure requirements. The loan is for 15-year term secured by Government guarantee.

NOTE 18. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

e) *Government of Fiji*

i) Loan

	2024 $'000	2023 $'000
Loans from Government of Fiji	173,817	173,817
Less: Deferred grant income on interest (Note 19)(c)	(34,074)	(34,074)
	139,743	139,743
Less: Current liability	(4,345)	-
Non-current liability	135,398	139,743

The borrowings from Government of Fiji aggregated $173,816,930 and were subject to interest at the rate of 5% per annum. As per the original repayment terms, the borrowings were repayable after one year from the drawn down dates. However, the Corporation had not recovered its cash flow position sufficiently to repay any of these loans.

In accordance with the Loan Repayment Agreement (LRA) dated 15 July 2015, the loans of $173,816,930 from the Government of Fiji was restructured and converted into long term unsecured optionally convertible loan.

The LRA includes a grace period of 10 years for both loan and interest and repayments period of 20 years resulting in a maturity period of 30 years, from effective date of the loan, interest of 3% per annum shall be payable on the drawn amount or on a semi-annual basis commencing from the 11th year from the effective date of the loan.

On 15 July 2024, the Government Cabinet approved the write-off of the government debt owed by the Corporation to the Government. Upon write-off, the Corporation's liabilities will be reduced significantly. Necessary adjustments and /or further disclosures will be made in the financial statements for the year ending 31 May 2025.

ii) Debt restructure

	2024 $'000	2023 $'000
Loans from Government of Fiji	26,368	26,368
Less: Deferred grant income on interest (Note 19)(d)	(10,289)	(10,289)
	16,079	16,079
Less: Current liability	(114)	-
Non-current liability	15,965	16,079

The Corporation did not meet the repayment of bonds with FNPF for $15 million and $10 million which matured on 30th September 2019 and 4th November 2019 respectively. Consequently, the guarantee was called, and the obligation was taken over by the Government of Fiji. An agreement to this effect has been drawn up between the Corporation and Government of Fiji with loan term of 15 years. The loan repayment to commence from January 2025 with two equal installments of $1,098,657 per year.

On 15 July 2024, the Government Cabinet approved the write-off of the government debt owed by the Corporation to the Government. Upon write-off, the Corporation's liabilities will be reduced significantly. Necessary adjustments and /or further disclosures will be made in the financial statements for the year ending 31 May 2025.

NOTE 18. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

f) *Fiji Development Bank*

i) The term loan facility of $30 million was obtained from Fiji Development Bank for purchase of agricultural equipment for sugarcane development. The loan is for 10-year period. The drawdown from the facility is $20,416,023. The loan is payable in monthly instalments of $245,000 (including principal, interest, stamp duty and bank fees)

ii) The Corporation secured term loan funding of $7 million from Fiji Development Bank to partially fund the fourth cane payment for 2020 season. The loan is for 5-year period. The loan is payable in monthly instalments of $160,000 (including principal, interest, stamp duty and bank fees).

iii) The Corporation obtained a term loan funding of $8 million from Fiji Development Bank under the Reserve Bank of Fiji's Import Substitution and Export Finance Facility to partially fund the fourth cane payment for 2020 season. The loan is for 5-year period. The loan is payable in monthly instalments of $170,000 (including principal, interest, stamp duty and bank fees).

iv) The Corporation secured term loan funding of $10 million from Fiji Development Bank to partially fund the third cane payment for 2021 season. The loan is for 5-year period. The loan is payable in monthly instalments of $210,000 (including principal, interest, stamp duty and bank fees).

v) During the year, the Corporation secured term loan funding of $20 million from Fiji Development Bank to partially fund the fourth cane payment for 2023 season. The loan is for 5-year period with monthly repayments of $400,000 (including principal, interest, stamp duty and bank fees).

The term loans from Fiji Development Bank are secured against Government guarantee and bill of sale over assets acquired from these loans.

g) *BRED Bank*

The funding of $20 million from BRED Bank was restructured to a 5-year loan. The principal repayment to commence from June 2024 with $5 million payable each year. The loan is secured by Government guarantee.

h) *Bank of South Pacific*

Loan facility of $50.0 million was secured from BSP with bulk payment on maturity in August 2024 with quarterly interest payment. Apart from Government guarantee as security, third charge over FSC asset has been provided. The Corporation is currently negotiating with the Bank for restructuring of the loan, and this is currently under review by the Bank.

i) *Bank Overdraft - Home Finance Company Limited*

The overdraft facility in HFC operating account was maintained at $30 million and a temporary facility of $25 million during the year. Overdraft facilities are secured by Government guarantee and floating charge over all the Corporation's assets.

NOTE 19. DEFERRED INCOME

	Notes	2024 $'000	2023 $'000
Government grants	a(i)	1,848	1,848
Government grants	a(ii)	6,001	6,001
Government grants	a(iii)	210	210
India Government grant	b(i)	1,487	1,487
Accumulated amortisation		(4,900)	(4,132)
		4,646	5,414
Government grant	a(iv)	9	9
Deferred grant income from Government of India	b(ii)	677	677
Deferred grant income on interest for the Government of Fiji loan	c	34,074	34,074
Deferred grant income on interest for the Government of Fiji loan	d	10,289	10,289
Deferred grant income on interest for the Exim Loan	e	11,018	-
Deferred grant income from Government of Fiji	f	821	-
Total deferred income - non-current		**61,534**	**50,463**

a) *Government grant received in relation to:*

i) The bulk sugar shed and Lautoka lorry shed which is being amortised on a straight-line basis at 2%.

ii) Purchase of sugarcane haulage trucks to provide reliable transport, consistent cane supply and reasonable cartage cost for the farmers. The grant is being amortised on a straight-line basis at 10%.

iii) The Labasa Lorry bay is being amortised on a straight-line basis at 2%.

iv) Procurement of harvesters for hilly cane areas. An agreement has been made on 16 May 2019 for government to provide $500,000 for this procurement. The grant is being amortised on a straight-line basis at 10%. The grant is not yet being amortised as the equipment are yet not ready for use.

b) *Government of India grant received in relation to:*

i) Relates to grant provided by the Government of India to the Corporation through the Ministry of Sugar Industry for the purchase of agricultural equipment with implements. Four harvesters and five tractors worth $1,487,274 have been purchased, which is being amortized accordingly in the books.

ii) Relates to grant provided by the Government of India to the Corporation through the Ministry of Sugar Industry for the purchase of agricultural equipment with implements. The grant is not yet being amortised as the equipment are yet not ready for use.

c) The benefit amounting to $34,074,000 from the Government loan at below-market rate of interest is treated as deferred income grant. Deferred grant income is measured as the difference between the initial carrying value of the loan and the actual proceeds from government loan. The initial carrying value of the loan is determined as the future cash payments (principal and interest) through the expected life of the loan to maturity discounted at the market rate of interest that would apply to an identical loan without the conversion option (Refer Note 18(e)(i)). The amortization of this grant would commence with the commencement of debt repayment.

NOTE 19. DEFERRED INCOME (CONT'D)

d) The benefit amounting to $10,289,000 from the Government loan at below-market rate of interest is treated as deferred income grant. Deferred grant income is measured as the difference between the initial carrying value of the loan and the actual proceeds from government loan. The initial carrying value of the loan is determined as the future cash payments (principal and interest) through the expected life of the loan to maturity discounted at the market rate of interest that would apply to an identical loan without the conversion option (Refer Note 18(e)(ii)). The amortization of this grant would commence with the commencement of debt repayment.

e) The benefit amounting to $11,018,290 from the Exim Bank loan at interest-free is treated as deferred income grant. Deferred grant income is measured as the difference between the initial carrying value of the loan and the actual proceeds from the loan. The initial carrying value of the loan is determined as the future cash payments (principal and interest) through the expected life of the loan to maturity discounted at the market rate of interest that would apply to an identical loan without the conversion option. (Refer Note 18 (a)).

f) Related to grant provided by the Government for assets purchase and installation. The grant is not yet being amortised as the assets were not ready for use during the year.

NOTE 20. EMPLOYEE BENEFIT LIABILITY

	2024	2023
	$'000	$'000
Annual leave entitlements - obligation		
As at 1 June	1,054	884
Movement during the year	23	170
Obligation at 31 May - Current	**1,077**	**1,054**
Long service leave entitlements - obligation		
As at 1 June	687	970
Movement during the year	(415)	(283)
Obligation at 31 May - Non-current	**272**	**687**
Total obligation for employee benefits	**1,349**	**1,741**

Annual Leave

Generally, annual leave is taken within one year of entitlement and accordingly, it is expected that a significant portion of the total annual leave balance will be utilised within the next financial year.

Long service leave and termination benefits

Long service leave and termination benefits are accrued for employees entitled to the same under their terms of employment. Note 2.2(s) outline the accounting policy and underlying basis for these accruals. The expected future payments are discounted at the rate of 4.25%.

NOTE 21. PROVISIONS

	Unpaid rent	Litigations	Total
	$'000	$'000	$'000
As at 1 June	1,808	1,904	3,712
Movement during the year	-	-	-
Obligation at 31 May - Current	**1,808**	**1,904**	**3,712**

NOTE 22. TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000
Trade payables	7,175	6,591
Other payables	15,193	15,969
Grower creditors	15,695	13,248
Cane access road, ACRP and other grants payable	6,201	1,539
Income in advance	26	594
Interest payable	231	7,555
	44,521	**45,496**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year

For explanations on the Corporation's liquidity risk management processes, refer to Note 5.

NOTE 23. COMMITMENTS AND CONTINGENCIES

a) Capital commitments

At 31 May, capital commitment is as follows

	2024 $'000	2023 $'000
Capital commitments contracted but not provided for in Accounts	5,088	4,264

b) Commitments for purchase of cane and for supply of sugar

The Corporation is committed to purchase sugarcane from growers. Furthermore, the Corporation is committed to supply sugar to the European Union and other potential buyers. Further, the Corporation has embarked on looking at alternative markets such as previously lucrative regional and Asian markets to mitigate the impact since EU sugar quota came to end in September 2017. There are number of new market areas being pursued now and the Corporation is confident to sell the Sugars of Fiji brand at a decent market price. Refer below for further details.

c) Legal claim contingency (wage claims and other litigations)

The Corporation and the workers or workers' union or other parties are contesting on various matters relating to employee grievances, termination matters, property related matters, breach of contract and certain other matters. The disputes are on matters of principle and interpretation or commercial disputes and involve claims for losses against the Corporation including claim for economic losses resulting from breach of contract. The matters are under consideration by the Court, Tribunal or the Ministry of Labour. The ultimate outcome cannot be measured reliably as at the balance date.

d) Guarantees

The Corporation has provided the following guarantees at 31 May 2024:

	2024 $'000	2023 $'000
Guarantees or bonds given by the bank	67	67

NOTE 23. COMMITMENTS AND CONTINGENCIES (CONT'D)

e) Commitments for purchase of cane and commitments for supply of sugar in the next 12 months

The Corporation purchases cane from growers as required by the Master Award and in accordance with the terms, conditions and procedures set out in the Master Award. The Master Award forms an integral part of the Sugar Industry Act. Under the Master Award, the growers share 70% of the proceeds for sugar produced up to 325,000 tonnes; 72.5% of the proceeds for sugar produced between 325,000 – 350,000 tonnes and 75% of proceeds for sugar produced in excess of 350,000 tonnes. The sugar proceeds are shared net of industry costs such as marketing, shipping and Sugar Research Institute of Fiji. During the 2023 crushing season (year ended 31 May 2024), the growers supplied to the Corporation a total of 1.57 million tonnes of cane from which 139,628 tonnes of sugar has been produced. The Corporation has exported 104,880 tonnes of sugar against its supply commitments to the buyers.

Traditionally, the Corporation sold its sugar to the European Union (EU) under the regional Economic Partnership Agreements (EPA) that came to end on 30 September 2017.

With effect from 1 October 2017, Fiji enjoys a continuation of market access on quota free and duty-free terms, with pricing linked to prevailing market prices in the EU, which in turn is driven by world sugar prices. The exposure of Fiji to world sugar price dynamics has thus increased from 1 October 2017. Alternative export markets are available to Fiji which potentially provide superior pricing to EU destinations as a result of freight premiums arising from Fiji's geographic proximity to alternative markets.

The Corporation has embarked on looking at alternative markets such as previously lucrative regional and Asian markets to mitigate the impact since EU sugar quota came to end in September 2017. There are number of new market areas being pursued and the Corporation is confident to sell the Sugars of Fiji brand at a decent market price.

NOTE 24. GOING CONCERN AND FINANCIAL SUPPORT

The Corporation has been incurring significant losses during recent years. During the year ended 31 May 2024, the Corporation has made profit from operations of $2.5 million (2023: $5.0 million loss) and net loss before income tax of $4.2 million (2023: $23.0 million).

As at 31 May 2024, total liabilities of the Corporation exceed total assets resulting in net liability of $404.3 million (2023: $400.0 million). The current liabilities exceed the current assets by $162.7million, representing the ratio of 4.7: 1 (2023: $175.1 million, representing the ratio of 8.6: 1).

The Corporation has debt repayment commitments amounting to $156.1 million during the financial year ending 31 May 2025. Furthermore, the Corporation requires further funding to meet its working capital requirements, ongoing capital expenditure and fund the operating losses.

Given the financial position and the debt levels of the Corporation and recurring losses being incurred by the Corporation, these factors indicate that without Government support, the Corporation will not be able to continue as a going concern.

Accordingly, the Government is committed to provide assistance to bring about the required reforms and improvements thereby:

- The Government continues to provide support to the Corporation and the sugarcane industry.
- Sugarcane industry reforms are achieved and funding for the sugarcane industry at large is made available for a long-term sustainability and survival of the sugarcane industry and the Corporation.

NOTE 24. GOING CONCERN AND FINANCIAL SUPPORT (CONT'D)

The Government as a majority shareholder has made a commitment to support and assist the sugarcane industry given the importance of the sugarcane industry for the economy of Fiji. The Government's support to the Corporation is evident by:

a) Government's commitment to continue to guarantee the existing borrowings and providing new guarantee of $95.0 million for domestic borrowings.

b) On 15 July 2024, the Government Cabinet approved the write-off of the Government debt owed by the Corporation to the Government totaling $200.2 million. This debt forgiveness by the Government is expected to significantly enhance the Corporation's liquidity and financial position. Necessary adjustments and /or further disclosures will be made in the financial statements for the year ending 31 May 2025.

c) Continuous allocation of grants and funding to the sugar industry by the Government for the Sugar Development Program, Sugar Stabilisation Fund, cane access roads, fertilizer subsidies and other benefits directly or indirectly to the farmers. The Government allocated $65.9 million in 2024/2025 National Budget for various initiatives to assist the sugar cane industry, including farm development to increase cane production, fertilizer and weedicide subsidy, subsidy for cane cartage, upgrade of cane access roads, lease premium assistance, drainage, farm mechanization, subsidy for manual harvesting and working capital support to FSC.

d) Development of 5-year National Sugar Industry policy coordinated by Ministry of Sugar Industry in consultation with key stakeholders of the industry. The policy will provide strategic respond to long-term challenges including sugarcane and sugar production, transportation, harvesting and milling, marketing, capacity, etc., that is affecting the Sugar Industry. It will provide a clear vision and coherent direction for coordination among the Sugar Industry stakeholders including industry institutions, policy makers, investors, private sectors, and non-government organisations for the development and sustainability of the Sugar Industry.

Furthermore:

i) The Corporation in next 2-3 years through revenue optimisation from large scale sugar plantations, cost cutting initiatives, embark upon revenue generating investments, better marketing of Sugars of Fiji, continue to achieve improvements in mill efficiency and mill performance together with improved quantity and quality of cane supply and thereby generate adequate profits and cash flows from future operations to meet its obligations as and when they fall due. Appropriate plans and strategies together with detailed work plan and milestones are being implemented by the Directors and management to achieve the targets. A separate Board Sub-committee has been established to look at Corporate Planning and Development.

ii) Management is making all efforts in consultation with the project engineers and contractors to bring about efficiency within the upgraded mill plants and machinery at the three mills. Training of operators in critical areas of operations is continuing under the guidance of technical experts. It is expected with continuous improvement in this manner, the performance of the upgraded plants will fully integrate with older plant and machinery and it is expected the milling efficiencies will improve to an acceptable level of performance.

iii) Technical expertise is being engaged where necessary in order to carry out financial restructure, operations streamlining and marketing of Sugars of Fiji brand to get better value for our sugar.

iv) The Corporation has embarked on looking at alternative markets such as previously lucrative regional and Asian markets since EU sugar quota came to end in September 2017. There are number of new market areas being pursued now and the Corporation is confident to sell the Sugars of Fiji brand at a decent market price.

NOTE 24. GOING CONCERN AND FINANCIAL SUPPORT (CONT'D)

v) Various non-core assets of the Corporation have been identified and are being sold.

vi) A number of strategies and initiatives have been put in place to reduce costs through rationalization of manpower levels, streamlining of business operations, centralization of corporate functions and outsourcing of non-core activities.

vii) The Corporation through the Joint Venture arrangements and share farming seeks to increase the sugar volume in the future. The Corporation is responsible for providing technical knowhow support (including land preparation, planting, maintenance and harvesting of cane) and organizing finance for the project works.

viii) Corporation's plan to modernise and upgrade rail transportation system (rail trucks and locomotives), as it is the cheapest mode of cane transportation to the mills.

ix) Diversifying the existing product and customer base through market sensitive pack sizes.

The Directors consider the application of the going concern principle to be appropriate in the preparation of the financial statements as the Directors anticipate the Government will continue to provide necessary support and improvements will be achieved in cane supply and mill performance and thereby the Corporation will be able to generate adequate funds to meet their liabilities as and when they fall due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation be unable to continue as a going concern.

NOTE 25. GOVERNMENT GUARANTEE

The Government has provided certain guarantees to the Corporation, including the following:

a) The Government continues to guarantee all borrowings which were borrowed under $322 million Government guarantee which expired on 31 May 2022.

b) New Government guarantee of $95 million to allow the Corporation to seek future domestic funding up to 31 May 2028.

c) The Government has provided a guarantee of US$50.4 million and US$5.38 million for borrowings from Export Import Bank of India in relation to the sugar mills upgrade and modernization. As at balance date, the outstanding balance is US$31.41 million and US$1.27 million, respectively under this guarantee.

d) The Government as a majority shareholder has made a commitment to support and assist the sugarcane industry given the importance of the sugarcane industry for the economy of Fiji.

NOTE 26. RELATED PARTY DISCLOSURES

a) Ownership interests in related parties

Interest held in joint venture is set out in Note 13 to the financial statements.

NOTE 26. RELATED PARTY DISCLOSURES (CONT'D)

b) Directors

The following were Directors of the Corporation at any time during the financial year and up to the date of this report:

Mr Nitya Reddy - Chairman
Mr Athil Narayan
Mr Kaison Chang
Mr Paras Ram Reddy
Mr Maciusela N. Lumelume
Ratu Jone Mataove Qomate
Ms Akisi Vinaka
Mr Jawahar Lal (Appointed on 17th November 2023)
Mr Solomone Viticauravou Kepa Nata (Appointed on 5th April 2024)
Mr Prakash Chand (Retired in July 2023)
Mr Pradeep Lal (Resigned on 5th October 2023)

Directors' emoluments for services as Directors and other services are disclosed under Note 8.2.

c) Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions. There were no material transactions (aggregate value in excess of $20,000) during the year with any related parties or entities related to Directors.

d) Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

As at 31 May 2024, eight executives (2023: eight executives), (Chief Executive Officer, Head of Finance, Chief Operating Officer, Head of Agriculture, 3 Mill General Managers and Chief Human Resources Officer) were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Corporation.

The aggregate remuneration to the executive management group for year ended 31 May 2024 and 2023 were:

	2024	2023
	$'000	$'000
Executive management	1,163	1,337

Furthermore, certain members of the executive management group were provided non-cash employment benefits, such as vehicle, housing allowances and medical insurance cover, in aggregate benefit value of $84,395 for the year.

e) Amount due to, and receivable from related parties

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

NOTE 26. RELATED PARTY DISCLOSURES (CONT'D)

f) Government guarantee and assistance

i) The Government has approved guarantees to allow the Corporation to borrow in the short-term money market and from Export-Import Bank of India for its sugar mills upgrade and modernization. Refer Note 25 for the details of the guarantees provided.

ii) In the prior years, the Government of Fiji provided funding to meet the repayment of Government guaranteed loans and to fund on-going working capital requirements of the Corporation. The borrowings from the Government of Fiji aggregated to $173,816,930 (including deferred grant income on interest) as at balance date (2023: $173,816,930 (Refer Note 18(e)).

iii) The Government has approved guarantees to allow the Corporation to seek funding from banks and other financial institutions.

NOTE 27. SIGNIFICANT EVENTS DURING THE YEAR

Significant events during the year were:

i) Impairment of Property, Plant and Equipment

For the year ended 31 May 2024, an impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard (IAS 36) Impairment of Assets. Based on the independent assessment, management and the Directors have carried out an assessment of the recoverable amount of the assets, trend of improvement in sugar cane quality, and assessed that no further provision for impairment is required.

The assessed enterprise value of the Corporation's productive assets continues to exceed the carrying value of the Corporation's core operating assets. Notwithstanding this, no reversal of accumulated impairment losses will be considered until the Corporation's growth is consolidated.

ii) Government Guarantee

During the year, the Government of Fiji approved an additional government guarantee of $20.0 million on 23rd May 2024 enable the Corporation to borrow $20.0 million from the Fiji Development Bank to partially fund the fourth Cane Payment for 2023 season.

iii) Temporary Overdraft Facility with HFC

The Corporation secured a temporary overdraft facility of $25.0 million from Home Finance Company Pte Limited (trading as HFC Bank) to fund the third cane payment for 2023 season. The borrowing was secured by a government guarantee.

iv) Term loan facility from Fiji Development Bank

FSC secured a term loan facility of $20.0 million from Fiji Development Bank on 23rd May 2024 to finance the fourth cane payment for 2023 season with the government guarantee as security.

v) Exim Bank of India loan restructure

Through diplomatic efforts, the EXIM Bank of India loan of US$32.7 million has been restructured to a five-year term loan, with ten equal semi-annual installments, and all accrued and future interest have been waived. The Corporation will commence repayment of the loan from next financial year.

NOTE 28. EVENTS SUBSEQUENT TO BALANCE DATE

On 15 July 2024, the Government Cabinet approved the write-off of the Government debt amounting to $200.2 million owed by the Corporation to the Government of Fiji. This debt forgiveness by the Government is expected to significantly enhance the Corporation's liquidity and financial position. Management is currently assessing the full implications of the debt write-back on the Corporation's future financial position and performance. Necessary adjustments and /or further disclosures will be made in the financial statements for the year ending 31 May 2025.

Except for the above matter, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future financial years.

NOTE 29. INSURANCE

The Corporation has obtained insurance cover for property, plant and equipment, excluding railway network and various exclusions, for material damage and business interruption. The insurance cover is subject to various terms and conditions and insurance excess. Vehicles are insured under comprehensive insurance cover.

NOTE 30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2024.

THE FIJI SUGAR CORPORATION LIMITED

10-YEAR STATISTICAL REVIEW

Financial statistics

for year ended 31 May		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Turnover	($m)	238.8	211.5	135.9	147.7	144.9	132.8	182.1	144.9	199.8	197.3	224.0
EBITDA	($m)	25.0	17.9	(6.7)	4.4	60.7	(25.1)	0.6	(19.2)	(27.1)	(4.8)	(4.8)
Profit/Loss after taxation & Extra-ordinary items	($m)	(4.2)	(23.0)	(44.3)	(32.8)	21.9	(80.1)	(24.6)	(45.0)	(53.4)	(31.7)	6.9
Total Assets	($m)	156.1	146.8	180.3	199.3	223.9	203.9	204.1	199.6	254.2	266.2	279.3
Net Assets	($m)	(404.3)	(400.0)	(377.1)	(332.8)	(300.0)	(321.8)	(241.8)	(217.1)	(172.1)	(117.4)	(85.7)
Proceeds of Sugar & Molasses	($m)	234.7	206.5	139.1	143.9	139.8	129.8	180.7	143.4	195.8	191.7	214.6
FSC's share of proceeds	($m)	71.2	64.3	38.3	42.8	41.9	38.8	54.2	43.0	58.7	56.0	62.5
Price per tonne cane	($)	102.50	85.26	85.00	85.00	85.00	85.00	85.00	82.00	76.66	81.01	88.49

Production statistics

Season		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Cane Crushed	(000t)	1,566	1,639	1,417	1,729	1,806	1,697	1,631	1,387	1,845	1,832	1,610
Sugar Produced	(000t)	140	156	133	152	169	160	180	140	222	227	179
Molasses Produced	(000t)	68	74	72	83	84	85	66	63	76	78	59
Tonnes Cane/Tonnes Sugar		11.2	10.5	10.6	11.4	10.7	10.6	9.0	9.9	8.3	8.1	9.0
Molasses % Cane		4	5	5	5	5	5	4	5	4	4	4
POCS %		9.8	10.3	10.0	9.8	10.0	11.0	11.0	10.9	12.2	12.3	11.4
Cane Purity %		79	80	80	79	80	81	83	82	83	82	82
Fibre in Cane %		12	12	12	12	12	13	13	12	12	12	12
Average Crushing Rate for all mills (tcph)		677	696	689	727	682	674	694	692	792	853	834
Actual Crushing Time as % of Available Time		65	62	67	64	64	63	66	58	71	70	63

Field statistics

Season	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of Growers	17,019	16,977	16,909	16,840	16,754	16,666	16,605	16,526	16,387	16,348	15,528
Number of Active Growers	10,594	10,872	11,398	11,622	11,638	11,412	11,871	11,676	12,405	12,681	12,633
Area under Cane (Ha)	33,802	34,897	33,504	36,733	37,643	37,105	38,040	36,794	39,291	38,427	38,160
Tonnes Cane per Hectare	47	47	42	46	48	46	43	38	47	48	42
Average Tonnes Cane per Grower	144	151	124	149	143	142	137	119	148	144	127
Number of Cane Cutters	5,402	5,222	7,681	7,651	7,650	7,700	7,771	9,173	9,582	10,341	8,973
Output per Cutter (tonnes)	187	180	118	146	154	110	117	142	182	173	179
Burnt Cane %	46	45.6	57	51	49	51	34	57	39	41	29

Sugar exports - destinations and quantities (metric tonnes)

Season	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
UK/EU	90,970	131,740	34,818	109,246	146,000	68,600	129,828	104,736	165,260	184,414	165,557
USA	13,760	12,539	10,551	15,611	8,411	9,034	14,570	8,329	21,163	16,254	-
KOREA	-	-	35,000	-	-	-	-	200	220	766	-
GERMANY	-	-	-	-	-	480	-	-	-	-	-
CHINA	-	-	-	-	-	33,730	-	-	-	-	-
TOTAL	104,730	144,279	80,368	124,857	154,411	111,844	144,398	113,265	186,643	201,434	165,557

NOTES

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